



DRAFT

**2016/17
REVIEW**

**NEWCASTLE MUNICIPALITY
INTEGRATED DEVELOPMENT
PLAN 2012 TO 2017**



**OFFICE OF THE MUNICIPAL MANAGER
NEWCASTLE MUNICIPALITY
22/02/2016**

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LIST OF ACRONYMS

ADM	-	Amajuba District Municipality
AG	-	Auditor General
ASGISA	-	Accelerated Shared Growth Initiative for South Africa
CBD	-	Central Business District
COGTA	-	Co-Operative Governance and Traditional Affairs
DBSA	-	Development Bank of South Africa
DHS	-	Department of Human Settlement
DOT	-	Department of Transport

EIA	-	Environmental Impact Assessment
EMF	-	Environmental Management Framework
EXCO	-	Executive Committee
FBS	-	Free Basic Services
GGP	-	Gross Geographical Product
GRAP	-	Generally Recognized Accounting Practice
GIS	-	Geographical Information System
HIV/AIDS	-	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IDP	-	Integrated Development Plan
IGR	-	Inter Governmental Relations
JBC	-	Johnston Blaauwbosch Cavan
KPA	-	Key Performance Areas
KZN	-	KwaZulu-Natal
LED	-	Local Economic Development
LUMF	-	Land Use Management Framework
LUMS	-	Land Use Management System
MEC	-	Member of the Executive Council
MFMA	-	Municipal Finance Management Act
MPAC	-	Municipal Public Accounts Committee
MIG	-	Municipal Infrastructure Grant
MTEF	-	Medium-term Expenditure Framework
NDBG	-	Neighbourhood Development Partnership Grant
NLM	-	Newcastle Local Municipality
NRW	-	Non-Revenue Water
NSDP	-	National Spatial Development Perspective
PGDS	-	Provincial Growth Development Strategy
PMS	-	Performance Management System
PTO	-	Permission to Occupy
RSC	-	Regional Service Centre
SCM	-	Supply Chain Management
SEA	-	Strategic Environmental Assessment
SDF	-	Spatial Development Framework
SDP	-	Site Development Plan
SMME	-	Small, Medium and Micro Enterprise
TLC	-	Transitional Local Council

WCDM	-	Water Conservation Demand Management
WSDP	-	Water Services Development Plan
WWTP	-	Waste Water Treatment Plant

SECTION 1: EXECUTIVE SUMMARY

1. INTRODUCTION

1.1. PURPOSE

This document presents an Integrated Development Plan (IDP) for Newcastle Local Municipality (NLM). The IDP is prepared in compliance with the requirements of Chapter 5, Section 25 of the Local Government Municipal Systems Act (Act No. 32 of 2000), which obligates municipal council to adopt a single, all inclusive and strategic plan for the development of the municipality, within a prescribed period after the start of its elected term. The NLM 3rd generation IDP outlines a development agenda for the municipality for the period 2012 to 2017. It informs the budget and also tries to respond to the aspirations and needs of the community. It is a document that sets the level of economic growth for the city through the identification of economic opportunities and areas of investments. Newcastle is well known for its abundance of industrial development, particularly the manufacturing sector and service sector which are central to its growth and development.

1.2. INTRODUCTION TO NEWCASTLE MUNICIPALITY

The town of Newcastle started off life as Post Halt Two on the journey between Durban (then Port Natal) and the Zuid-Afrikaansche Republiek (Transvaal) and Johannesburg. It was strategically placed in the year 1854 by the Surveyor General of the Natal Colony, Dr. P. C. Sutherland. The town was later known as the Waterfall River Township because of the Ncandu River. In 1864 the town of Newcastle was founded on the site becoming the forth settlement to be established in natal after Durban, Weenen and Pietermaritzburg.

Figure 1: Location of Newcastle within South Africa.



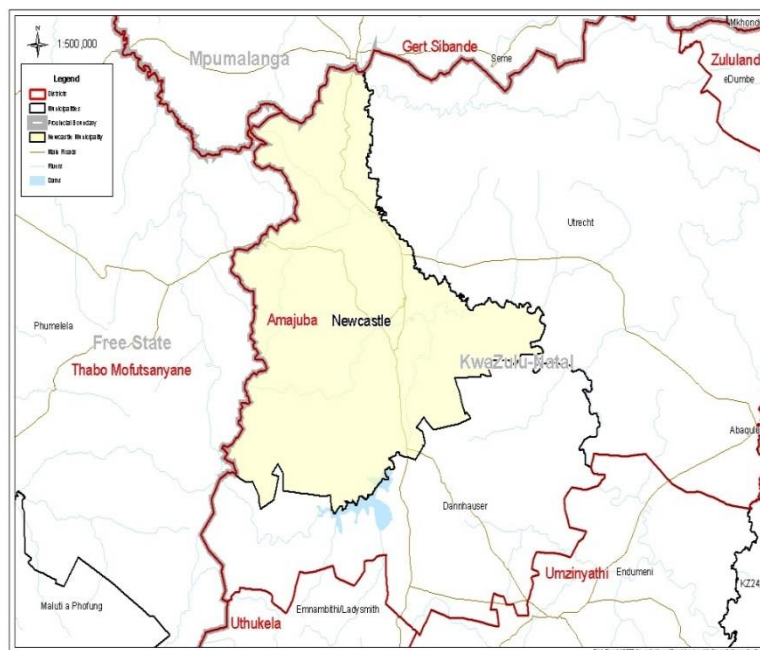
Newcastle was named after the British Colonial Secretary, the Duke of Newcastle. In 1873 Newcastle became a separate electoral division. In 1876 the Fort Amiel was built as a barrier against the Zulus.

To commemorate Queen Victoria's diamond '60th Jubilee,' in 1897, a sandstone construction of the town hall started and it was completed two years later. The town was used as a depot

by the British during both the First and Second Boer War. Newcastle functioned as a major transport junction and a popular stopover for wagons and post chaises during the late 19th century. Newcastle also served as an arena when the British preparation work for the Pretoria Convention of 1881 was done. In 1890, the first train arrived in Newcastle and in the year 1891, Newcastle was declared a district with its own administrative unit. The discovery of coal brought a new era of prosperity and several ambitious building projects were planned.

Newcastle Local Municipality is one of the three local municipalities that make up Amajuba District. It is located on the North-Western corner of KwaZulu-Natal, and borders onto Free State and Mpumalanga provinces to the West and North respectively. Utrecht and Dannhauser local municipalities are located along the Eastern and Southern boundary. It covers an area of approximately 1854km² in extent. The total population of NLM is estimated at 363 236 spread unevenly among thirty four (34) wards as per the new ward demarcation, with close to 80% of the total population residing within the Newcastle East area. The population of Newcastle is relatively young with 46% of the population being younger than 19 years of age, and the age group between 20 and 34 years of age accounting for 27% of the population. Newcastle accounts for 73% of the total population within Amajuba District.

Figure 2: Location of Newcastle within Amajuba District.



In terms of gender distribution, 52% of the total population is made up of females while the remaining 48% is made up of males. With regards to literacy levels, there has been significant progress made regarding access to formal education. In 2001 primary education was sitting at 173 404 and it decreased in 2011 to 145 730. Regarding access to secondary education, in 2001 it was sitting at 93 229 and it increased in 2011 to 129 522. NLM has also seen an increase in the number of people with access to tertiary education from 6 040 in 2001 to 12 177 in 2011.

The boundaries of Newcastle Municipality were delineated in terms of the Municipal Demarcation Act, (Act No. 27 of 1998) and takes into account population movement trends,

regional economic patterns and the current land use pattern. Currently Newcastle Municipality has 31 wards and out of these ward 1, ward 6, ward 7 and ward 30 fall under custodianship of the Tribal Authorities (Inkosi u-Khathide and Inkosi u-Hadebe) held in trust on behalf of the Ingonyama Trust Board in terms of the KwaZulu-Natal Ingonyama Trust Act (Act No. 3KZ of 1994). As mentioned above, the population of Newcastle is spread unevenly amongst 31 wards with the majority of the population residing within the Newcastle-East area. The boundaries are not just administrative, but are also intended to promote social and economic development while also strengthening regional economic and functional linkages.

Newcastle is well placed to benefit from regional economic growth given its strategic location at the nexus of major tourism, logistics, farming and industrial routes, and as the seat of government in the province of KwaZulu-Natal. It is centrally located in the Northern region of KZN, halfway between Johannesburg and the harbours of Durban and Richards Bay, hence contributing to the export of manufactured goods and distribution to the Gauteng market. Newcastle is also provided with good access infrastructure to these areas, which includes road and rail networks. It is situated on the national rail route between the Durban Container Terminal and City Deep in Gauteng, and has within its confines, major rail exchange yards, supporting railway stations and extensive goods conversion/warehousing facilities.

The city's local authority has jurisdiction over the surrounding maize, livestock and dairy farms as well as industrial areas such as Karbochem, Mittal steel South Africa (previously ISPAT/ISCOR), and the textile and service industry. In addition, the city is also well endowed with coal reserves hence opportunities for coal mining within the area. Arcelor Mittal produces over 105 million tons of steel products annually. Although the Arcelor Mittal steelworks and the Karbochem synthetic rubber plant dominate the Newcastle industrial portfolio, there is a wide range of manufacturing undertakings sharing in the success of the region. Newcastle has welcomed many Chinese and Taiwanese into the region with the addition of over a hundred textile factories.

During the year 2002, the chrome chemical plant was completed in Newcastle which comes as a clear reflection of the city's industrial future. This joint venture project between Karbochem and German specialist chemical manufacturing giant LANXESS has made Newcastle the largest producer of chrome chemicals in Africa. The company announced an investment of €40 million (almost R600 million) in 2012 towards the construction of a CO₂ plant at its site. Mittal Steel also completed a R400 million project to rebuild one of its coke batteries. Other large operations include a diamond cutting works, various heavy engineering companies, steel reinforcement and slag cement factories.

The Blackrock Casino Entertainment Hotel provides much entertainment to Newcastle and the surrounding areas. The newly built R500 million Newcastle Mall (by Zen prop), adjacent to the Blackrock Casino Entertainment Hotel, serves as a one-stop shopping destination for the wider region. Current urban developments in Newcastle entail the new multi-storey Civic Centre, the 80 million expansion of the Victoria Mall, the Meadowlands Estate in Madadeni (residential estate), major extensions and upgrade of the Madadeni Hospital (set to become a regional hospital), a R100 million upgrade of the Madadeni Police Station, the Vulintaba Estate, more development at the corner of Allen street along the Trim Park, planned Mercedes-Benz and Audi dealership next to the Newcastle Mall (Aquarand), the development of the Heartlands Dry Port next to the train station, and the possible extension of the Newcastle Airport (Newcastle Airport Techno-hub). From the 1880s, Newcastle experienced rapid economic growth. Today Newcastle has the largest concentration of industry in the North-Western KwaZulu-Natal region.

There has been a 23.04% decline in the level of unemployment within Newcastle from 87 619 (60.48%) in 2001 to 37 686 (37.44%) in 2011. In terms of gender, the highest concentration of unemployment is amongst the female population. With regards to formal employment by sector within Newcastle Municipality, trade/retail is the highest employer of the population at 8 888 as of July 2012, followed by Government services at 18 324. Government services is closely followed by manufacturing at 6 419 and subsequently finance at 5 375. As of 2013 the GDP of Newcastle was recorded as occupying 80.20% of the total GDP (0.7%) generated by Amajuba District within the KZN Province. In terms of the Human Development Index (HDI – the composite measure of life expectancy, education, and income used to measure human development), Newcastle is currently sitting at 0.57 which is deemed by the United Nations Development Programme as being medium human development index. The Gini Coefficient (the measure of inequalities) in Newcastle assumes a municipality working towards addressing inequalities. In the year 2002 it was estimated at 0.65 and in 2012 it was 0.62 hence marking a move towards perfect equality. Regarding the levels of poverty, Newcastle has also experienced a decrease from 56.0% in 2002, 51.0% in 2006 and 44,4% in 2012. The annual income per capita of Newcastle Municipality is currently sitting at 29 264 thus meaning that the majority of individuals within Newcastle earn R2 438,66 per month hence falling above the global poverty line of \$1,25 per day based on the dollar – rand exchange rate.

1.3. OBJECTIVES OF THE INTEGRATED DEVELOPMENT PLAN

The Newcastle Municipality's IDP adopts a long term planning horizon, but also presents a short to medium term strategic agenda and a detailed five year programme commencing in

the 2012/2013 financial year and ending in 2016/2017 financial year. This period coincides with the term of office of the incumbent council and aligns with the budget cycle. The IDP is prepared in accordance with the requirements of the Municipal Systems Act (Act No. 32 Of 2000) and the associated regulations (refer to Box 1), and is intended to serve as a strategic guide for public sector investment and development

Box 1: Section 25 (1) of the Municipal Systems Act (2000)

Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality which-

- a) Links integrates and coordinates plans and takes into account proposals for the development of the municipality;*
- b) Aligns the resources and capacity of the municipality with the implementation of the plan;*
- c) Complies with the provisions of this Chapter; and*
- d) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.*

generally. It is based on the issues articulated by all stakeholders and is informed by the national and provincial development imperatives. The objectives of Newcastle Municipality's IDP are as follows:-

- ☛ To guide decision making in respect of service delivery and public sector investment.
- ☛ To inform budgets and service delivery programs of various government departments and service agencies.
- ☛ To coordinate the activities of various service delivery agencies within Newcastle Municipality's area of jurisdiction.
- ☛ To engage communities and other key interested and affected parties in municipal affairs, particularly the continuous integrated development process.
- ☛ To position the municipality to make a meaningful contribution towards meeting the district and provincial development targets and priorities.

1.4. SCOPE OF THE NEWCASTLE IDP

In line with Section 26 of the Municipal Systems Act (Act No. 32 of 2000) which prescribes the key components of an IDP, and the focus on development outcomes, Newcastle Municipality's IDP is presented in four main sections as follows:-

- ☛ An outline of the key development issues and trends based on an analysis of the current level of development (**Situational Analysis**).

- ☛ A strategic framework which outlines Council's long term vision with specific emphasis on the municipality's most critical development objectives, actions plans and strategies (**Development Strategies**).
- ☛ A capital program including a one year program, a three year program aligned to the Medium-Term Expenditure Framework and the Five Year Plan (**Capital Investment Projects**).
- ☛ An implementation framework which includes sector plans particularly the financial plan, spatial development framework, organizational performance management system and an organizational transformation and institutional development plan (**Integration**).

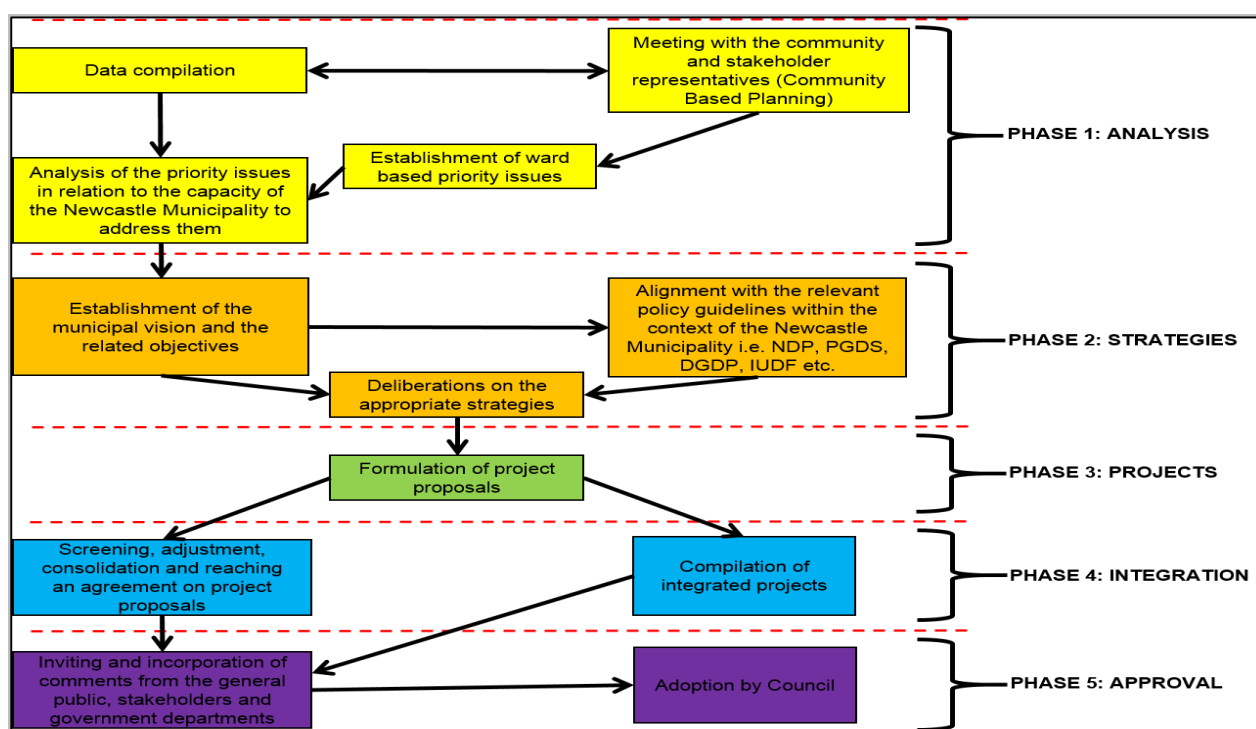


Diagram 1: Diagrammatic overview of the NLM IDP Planning Process.

The IDP will inform the Medium-Term Expenditure Framework (MTEF), and guide the annual budget process. Chapter 4, Section 21(1) of the Municipal Finance Management Act (MFMA No. 56 of 2003) requires a municipality to align and sustain a close functional link between its IDP and the budget.

1.5. APPROACH

The approach adopted in reviewing the IDP for the 2016/17 financial year was strongly guided by the guidelines prepared by the Department of Co-Operative Governance and Traditional

Affairs (COGTA) as set out in the Revised KZN IDP Framework Guide dated 12 February 2013. The guide pack advocates for a process that is integrated, sustainable, issue-driven, people-centred, practical and action oriented.

1.5.1. PUBLIC PARTICIPATION

The IDP preparation process involved extensive stakeholder and public participation as required in terms of the MSA (Act No. 32 of 2000). At least four IDP Representative Forum meetings were held, each coinciding with a distinct phase in the process. In addition, several meetings were held at ward level to establish community development needs and consult communities on the general affairs of the municipality. The comments raised during the Budget/IDP Roadshows also provided valuable input into the process. Moving forward, the review of the IDP will also follow the same process. The following entails a schedule of the key activities that will be undertaken towards reviewing the IDP:-

- ☛ Strategic review of the NLM IDP (2016/17) in line with the comments from the MEC: COGTA;
- ☛ Strategic review of outdated sector plans;
- ☛ Improved alignment between the IDP/Budget and PMS;
- ☛ Strategic review of the NLM SDF (2016/17) in line with the comments from the MEC: COGTA;
- ☛ Review of the three year financial plan;
- ☛ Development of the SDBIP; and
- ☛ Preparation of the IDP.

1.5.2. IDP/PMS AND BUDGET PROCESS PLAN – ACTIVITIES AND TIMEFRAMES

The schedule below indicates the process followed towards the preparation of the IDP and its alignment with the budget.

Table 1: Cycle for the 2016/17 IDP including the SDF, PMS and Budget linkages.

MONTH	ACTIVITIES					
	IDP	SDF	PMS	BUDGET		
JULY 2015	<ul style="list-style-type: none"> Preparation of the Draft IDP/Budget and PMS Process Plan. Engagement with the Budget Office, PMS and the Town Planning Directorate for alignment purposes. Tabling of the Draft IDP Process Plan to MANCO for comments. Submission of Draft IDP Process Plan to COGTA. 	<ul style="list-style-type: none"> Compilation of the process plan in line with the approved SDBIP for 2015/16 financial year. Formation of the PSC. Desktop analysis. 	<ul style="list-style-type: none"> Submission of performance reports for previous quarter/month by the 10th. Signing of new performance contracts for Section 54 and 56/57 Managers and submission to EXCO (Section 69 of the MFMA and Section 57 of the MSA). Advertise approved SDBIP 2015/16. Roll out of the approved SDBIP. Draft Performance Reports 2014/15 to Internal Audit within 25 days of end of quarter departments. 	Mayor and Council / Entity Board	Administration - Municipality and Entity	Budget Review Activities
				<ul style="list-style-type: none"> Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process MFMA s 53 Planning includes review of the previous years' budget process and completion of the Budget Evaluation Checklist 	<ul style="list-style-type: none"> Accounting officers and senior officials of municipality and entities begin planning for next three-year budget MFMA s 68, 77 Accounting officers and senior officials of municipality and entities review options and contracts for service delivery MSA s 76-81 	<ul style="list-style-type: none"> Approve and announce new budget schedule and set up committees and forums. Consultation on performance and changing needs.
AUGUST 2015	<ul style="list-style-type: none"> Advertising of the Draft Process Plan for public comments in line with the legislative requirements (MSA No. 32 of 2000). 	<ul style="list-style-type: none"> Review of information from sector plans – on-going till September 2015 Update Section Three (Situational Analysis) of the current SDF as per the requirements of SPLUMA, focusing on 	<ul style="list-style-type: none"> Submission of performance reports for previous month by the 10th. Quarterly Audit Committee meeting (for the last quarter of 12/16) MFMA Sect 166 & MPPR Reg. 	<ul style="list-style-type: none"> Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and 	<ul style="list-style-type: none"> Accounting Officer to submit AFS to Auditor-General [Due by 31 August, MFMA Sec 126(1)(a)] IDP Review Process. 	<ul style="list-style-type: none"> Consultation on performance and changing needs. Review performance and financial position. Review external mechanisms. Start Planning for next three years.

	<ul style="list-style-type: none"> Final IDP Process Plan tabled at EXCO and Council for approval. Submission of Final Process Plan to COGTA Advertisement of the Final IDP Process Plan in order to meet AG audit requirements. IDP preparation process initiated. Review of comments received on the 2015/16 Final IDP Review document. Tabling of comments to relevant line department for feedback and provision of information. Self-assessment to identify gaps in the IDP process. Integration of new information from adopted Sector Plans into the Draft IDP Review document. Initiation of new sector plans into the Draft IDP. 	<ul style="list-style-type: none"> the restructuring elements, population growth and demand estimates associated for the next five years. Updating of environmental information – on-going till December 2015. 	<p>14(3)(a) (Annual Performance Report and Draft Annual Report 2014/15).</p> <ul style="list-style-type: none"> Submission of Annual Performance Report to Auditor-General. Submission of Draft Annual Report to Auditor-General Monitoring and Evaluation session on capital program. Monthly progress report on performance to EXCO (Capital). 	<p>budget related policies and consultation processes at least 10 months before the start of the budget year.</p> <p>MFMA s 21,22, 23; MSA s 34, Ch 4 as amended</p> <ul style="list-style-type: none"> Mayor establishes committees and consultation forums for the budget process 		
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	<ul style="list-style-type: none"> Review and updating of the IDP Vision, Mission and Objectives in light of the new focus of Council. 					
SEPT 2015	<ul style="list-style-type: none"> Integration of new information from the Spatial Development Framework. Continuous: Updating and review of the strategic elements of the IDP in light of the new focus of Council. Attend to issues identified in line with the Newcastle Municipality's Back to Basics Programme. Continuous: Incorporation of responses and information received from departments in line with the tabled comments. 	<ul style="list-style-type: none"> Local Area Development Planning (LADP). Capturing of LADPs as an extension of the SDF – on-going until March 2016. Finalise sector plan alignment. Finalise desktop analysis. 1st PSC Meeting. 	<ul style="list-style-type: none"> Submission of performance reports for previous quarter/month by 10th. Monitoring and Evaluation session on capital program. Monthly progress report on performance to EXCO (Capital). Circulate Quarter 1 reporting templates to departments. Evaluation Panel meeting (for evaluation of Sect 57 Managers final assessments) MPPR Reg. 14 (3)(b). 	<ul style="list-style-type: none"> Council through the IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans 	<ul style="list-style-type: none"> Budget offices of municipality and entities determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc) 	<ul style="list-style-type: none"> Update policies, priorities and objectives. Determine revenue projections and policies.
OCT. 2015	<ul style="list-style-type: none"> Continuous: Updating and review of the strategic elements of the IDP in light of the 	<ul style="list-style-type: none"> Review of Boundaries of nodes and corridors. Presentation to planning forum. 	<ul style="list-style-type: none"> Submission of performance reports for previous quarter/month by 10th. 		<ul style="list-style-type: none"> Accounting officer does initial review of national policies and budget plans and potential price increases of bulk 	<ul style="list-style-type: none"> Determine revenue projections and policies. Engagement with sector departments, share and evaluate

	<ul style="list-style-type: none"> new focus of Council. Continuous: Incorporation of responses and information received from departments in line with the tabled comments. 	<ul style="list-style-type: none"> District and cross-border alignment on – on-going till December 2015. 	<ul style="list-style-type: none"> Departments to submit Q1 performance reports with Portfolio of Evidence. Sect 57 Managers' quarterly assessments (for first quarter of 15/16). Quarterly progress report on performance to EXCO. Submission of Q1 Performance Report to Internal Audit within 25 days of end of quarter. Audit Committee Meeting to consider Q1 Performance Report. 		<p>resources with function and department officials MFMA s 35, 36, 42; MTBPS</p>	<p>plans, national policies, MTBPS.</p> <ul style="list-style-type: none"> Draft initial allocations to functions. Draft initial changes to IDP.
NOV. 2015	<ul style="list-style-type: none"> First IDP RF Meeting to present the Process Plan. Continuous: Updating and review of the strategic elements of the IDP in light of the new focus of Council. Identification of IDP priority projects. Project alignment within the municipal departments. 	<ul style="list-style-type: none"> 2nd PSC Meeting. Incorporation of the Scheme, capturing of Scheme information as required by SPLUMA. 	<ul style="list-style-type: none"> Submission of performance reports for previous quarter/month by 10th. Develop PMS Templates for 2016/17 based on review of IDP Strategies. Quarterly progress report on performance to EXCO. Final Draft of Annual Report circulated for internal comment (To include AG Report). 		<ul style="list-style-type: none"> Accounting officer reviews and drafts initial changes to IDP MSA s 34 Auditor-General to return audit report [Due by 30 November, MFMA 126(4)] 	<ul style="list-style-type: none"> Draft initial changes to IDP. Consolidation of budgets and plans. Executive determines strategic choices for next three years.

	<ul style="list-style-type: none"> Conduct IDP/Budget strategic workshop. Continuous: Incorporation of responses and information received from departments in line with the tabled comments. 					
DEC. 2015	<ul style="list-style-type: none"> Departments to comment on the reviewed Municipal Strategies, Objectives, KPA's, KPI's and targets. Continuous: Identification of IDP priority projects. Project alignment between the DM and LM's. Continuous: Incorporation of responses and information received from departments in line with the tabled comments. 	<ul style="list-style-type: none"> Finalization of the district and cross border alignment process. Finalization of environmental assessment and alignment. 	<ul style="list-style-type: none"> Submission of performance reports for previous quarter/month by 10th. Compile annual report for 13/14 (MFMA Sect 121) for tabling Council in January. Quarterly progress report on performance to EXCO. Circulate Q2/Mid Year Performance Assessment 2015/16 reporting templates to departments. 	<ul style="list-style-type: none"> Council finalises tariff (rates and service charges) policies for next financial year MSA s 74, 75 	<ul style="list-style-type: none"> Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous years performance as per audited financial statements 	<ul style="list-style-type: none"> Executive determines strategic choices for next three years. Finalise tariff policies.
JAN. 2016	<ul style="list-style-type: none"> Continuous: Updating and review of the strategic elements of the 	<ul style="list-style-type: none"> Commence with the sector department alignment process – on-going till March 2016. 	<ul style="list-style-type: none"> Submission of performance reports for previous quarter/month by 10th. 	<ul style="list-style-type: none"> Entity board of directors must approve and submit proposed budget and plans 	<ul style="list-style-type: none"> Accounting officer reviews proposed national and provincial allocations to 	<ul style="list-style-type: none"> Prepare detailed budgets and plans for the next three years.

	<p>IDP in light of the new focus of Council.</p> <ul style="list-style-type: none"> Continuous: Identification of IDP priority projects. Continuous: Incorporation of responses and information received from departments in line with the tabled comments. 		<ul style="list-style-type: none"> Departments to submit Q2/Mid year performance information by 10 Jan 2016. Submit Mid-year performance report to Internal Audit within 25 days of end of quarter. Audit Committee Meeting to consider Q2/Mid-Year Report. Submit mid-year performance assessment to Mayor by no later than 25th January 2016. Mayor tables annual report for 13/14 MFMA Sect 127(2) to full Council by 31 Jan 2016. 	for next three-year budgets to parent municipality at least 150 days before the start of the budget year MFMA s 87(1)	<p>municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January)</p> <p>MFMA s 36</p>	
FEB. 2016	<ul style="list-style-type: none"> Continuous Review of Municipal Strategies, Objectives, KPA's, KPI's and targets. Continuous: Identification of IDP priority projects. Packaging of projects to inform the budget (MTEF). Complete the project 	<ul style="list-style-type: none"> Alignment of the Draft Budget and Capital Investment Framework with the SDF. Finalization of the Capital Investment Framework and Implementation Plan. 	<ul style="list-style-type: none"> Submission of performance reports for previous quarter/month by 10th. Make public annual report and invite community inputs into report (MFMA Sect 127 & MSA Sect 21a). Submit annual report to AG, Provincial & CoGTA (MFMA Sect 127). Sect 57 Managers' quarterly assessments (for 	<ul style="list-style-type: none"> Council considers municipal entity proposed budget and service delivery plan and accepts or makes recommendations to the entity MFMA s 87(2) 	<ul style="list-style-type: none"> Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report Accounting officer to notify relevant 	<ul style="list-style-type: none"> Prepare detailed budgets and plans for the next three years. Executive adopts budget and plans and changes to IDP.

	<ul style="list-style-type: none"> finalization process. Continuous: Incorporation of responses and information received from departments in line with the tabled comments. 		<ul style="list-style-type: none"> second quarter of 15/16). Draft PMS 2016/17 for internal consultation and budget input from IDP and budget. 		<p>municipalities of projected allocations for next three budget years 120 days prior to start of budget year</p> <p>MFMA s 37(2)</p>	
MARCH 2016	<ul style="list-style-type: none"> Second IDP RF Meeting Finalization of Municipal Strategies, Objectives, KPA's, KPI's and targets. Initiate preparation of Capital Investment Plan. Initiate preparation of Financial Plan. Conclusion of Sector Plans initiated in the 2015/16 financial year and integration into the Draft IDP Review document. Submission of the Draft IDP document to COGTA. 	<ul style="list-style-type: none"> Finalization of Local Area Development Planning. 3rd PSC Meeting. 	<ul style="list-style-type: none"> Council to consider and adopt an oversight report [Due by 31 March 2016 MFMA Sec 129(1)]. Set performance objectives for revenue for each budget vote (MFMA Sect 17). Quarterly progress report on performance to EXCO. Finalise Draft PMS (Including SDBIPS) 2016/17 to be included in IDP and Budget. Circulate Q3 performance reporting template to departments. 	<ul style="list-style-type: none"> Entity board of directors considers recommendations of parent municipality and submit revised budget by 22nd of month MFMA s 87(2) Mayor tables municipality budget, budgets of entities, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year MFMA s 16, 22, 23, 87; MSA s 34 	<ul style="list-style-type: none"> Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others as prescribed MFMA s 22 & 37; MSA Ch 4 as amended Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March MFMA s 42 	<ul style="list-style-type: none"> Mayor tables budget, resolutions, plans and changes to IDP at least 90 days before the start of the financial year.

APRIL 2016	<ul style="list-style-type: none"> ▪ Advertising of the Draft IDP document for public comments (21 days). ▪ Incorporation of DORA information into the Final IDP document. ▪ Prepare departmental business plans linked to the IDP strategies, objectives, KPI's and targets. ▪ Identify departmental allocations from Municipality's Own Funds. ▪ Consultation with Portfolio Councillors to identify projects to which Own Funds will be allocated to. ▪ Preparation of Capital Investment Plan. ▪ Preparation of Financial Plan. ▪ Conclusion of Sector Plans initiated within the 2015/16 financial year and integration into the Final IDP 	<ul style="list-style-type: none"> ▪ Finalization of the sector department alignment process. ▪ Advertisement of the Draft SDF in the press for public comments. ▪ Finalize Capital Investment Framework. 	<ul style="list-style-type: none"> ▪ Public Consultation on Draft PMS as part of IDP/Budget roadshows. ▪ Departments to submit Q3 performance information by 10th of April. ▪ Quarterly progress report on performance to EXCO. ▪ Publicise Oversight Report [Due by April MFMA Sec 129(3)]. ▪ Submit Annual Report to Provincial Legislature/MEC Local Government [Due by April MFMA Sec 132(2)]. ▪ Quarterly Audit Committee meeting (for third quarter of 12/13) MFMA Sect 166 & MPPR Reg. 14(3)(a). 	<ul style="list-style-type: none"> ▪ Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc ▪ MFMA s 21 ▪ Public hearings on the budget, and council debate. Council consider views of the local community, NT, PT, other provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration. Council to consider approval of budget and plans at least 30 days before start of budget year. MFMA s 23, 24; MSA Ch 4 as amended ▪ Entity board of directors to approve the 	<ul style="list-style-type: none"> ▪ Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year ▪ Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature 	<ul style="list-style-type: none"> ▪ Consultation with National and Provincial Treasuries and finalise sector plans, water and sanitation, electricity, etc. ▪ Public hearings on the Budget, Council Debate on Budget and Plans. ▪ Public hearings on the Budget, Council Debate on Budget and Plans. ▪ Council adopts budget, resolutions, capital implementation plans, objectives and changes in IDP.
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	<ul style="list-style-type: none"> Review document. Public participation process launched through a series of public hearings on the IDP and Budget. Continuous: Preparation of the departmental business plans linked to the IDP strategies, objectives, KPI's and targets. 			<p>budget of the entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the council of the parent municipality</p> <p>MFMA s 87</p>		
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MAY 2016	<ul style="list-style-type: none"> Third IDP RF meeting to consider the amendments to the Final IDP document. EXCO recommends adoption of the Final IDP to Council. Council workshop on the IDP. Adoption of the Final IDP by Council. Submission of Final IDP to COGTA. Advertisement of the Final IDP document in line with the legislative requirement (MSA No. 32 of 2000). 	<ul style="list-style-type: none"> IDP RF meeting to deliberate on changes to the SDF. EXCO recommends adoption of the SDF with IDP to Council. Adoption of the SDF by Council. 	<ul style="list-style-type: none"> Community input into organisation KPIs and targets. Departments to revise PMS based on community input if applicable. S57 Managers' Quarterly Performance Assessments. Quarterly progress report on performance to EXCO. Approval of PMS 2016/17 with IDP and Budget. Quarterly progress report on performance to EXCO. Circulate templates for Q4/Annual Performance Report and Annual Report 2015/16. 	<ul style="list-style-type: none"> Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote 30 days before start of budget year MFMA s 16, 24, 26, 53 Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with sect 57(2) of the MSA. Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The 	<ul style="list-style-type: none"> Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA. MFMA s 69; MSA s 57 Accounting officers of municipality and entities publishes adopted budget and plans MFMA s 75, 87 	<ul style="list-style-type: none"> Publish budget and plans. Finalise performance contracts and delegation.
JUNE 2016						

				<p>mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval.</p> <ul style="list-style-type: none"> ▪ MFMA s 53; MSA s 38-45, 57(2) ▪ Council must finalise a system of delegations. ▪ MFMA s 59, 79, 82; MSA s 59-65 		
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1.5.3. PROCESS FOR PUBLIC PARTICIPATION

Table 2: Public participation in the review of the IDP and the Budget.

STAKEHOLDER	VENUE	DATE	DAY	TIME
All Chambers, Organized Business & Farmers association	EXCO Chamber	05 April 2016	Tuesday	17h00
Municipal Staff and Ward Committees	Show Hall	07 April 2016	Thursday	13h00
IDP Rep Forum/IGR Technical Task Team & Traditional Leadership, Traditional Healers, Youth Structures, Women and Men's Forum, Interfaith, Minister's Association, NGOs and FBOs	Town	08 April 2017	Friday	14h00
Wards 22, 20 & part of 21	Mbalenhle school Sports Field	09 April 2016	Saturday	10h00
Ward 26, 28 & Part of 27	Thobani School Sport field	09 April 2016	Saturday	14h00
Ward 14, 19, 27, 29 & Part of 31	Dedangifunde Sport field	10 April 2016	Sunday	10h00
Ward 23, 24 & Part of 21	Phelandaba Stadium	10 April 2016	Sunday	14h00
Ward 20	S V Zulu School, KwaMathukuza	15 April 2016	Friday	14h00
Wards 7,8, 9, 10	Cricket Oval	16 April 2016	Saturday	10h00
Wards 13, 17, part of 18,7 & 30	Sesiyabonga School	16 April 2016	Saturday	14h00
Wards 8 & part of 10 & 30	Bus Depot	17 April 2016	Sunday	10h00
Wards 11,10 & part of 30	Osizweni Hall	17 April 2016	Sunday	14h00
Ward 1	Normandien	19 April 2016	Tuesday	14h00
Ward 2, 3, 4, 5, 25	Farmers Hall	21 April 2016	Wednesday	17h00
Ward 1	Charlestown Hall	22 April 2016	Friday	14h00
Ward 21	Bosworth Farm-Open Space	23 April 2016	Saturday	10h00
Ward 31	Esididini	23 April 2016	Saturday	14h00
Wards 6, 7, 12, 15, 16, 18	Mzamo Sports Fields	24 April 2016	Sunday	10h00

1.6. IDP PROCESS PLAN FOR 2016/2017 MULTI-TERM BUDGET

EVENTS	DATES	RESPONSIBILITY
Provincial IDP Stakeholders meeting: Confirm assessment process in April 2015	13 February 2015	Director IDP
Submission of Draft IDP Review (2015/16) to COGTA	27 March 2015	Director IDP
Decentralised Forums and Draft IDP Assessments.	07 – 24 April 2015	Director IDP
IDP Feedback Session	13 May 2015	Director IDP
Submission of Final IDP to COGTA.	10 June 2015	Director IDP
IDPs submit to COGTA/MEC Panel.	10 July 2015	Director IDP
Joint meeting for IDP, Budget and PMS for alignment purposes.	31 July 2015	Director IDP
Submission of the Draft Process Plan to CoGTA.	31 July 2015	Director IDP
MANCO to deliberate on Final IDP Process Plan.	07 August 2015	Director IDP

EVENTS	DATES	RESPONSIBILITY
Final Process Plan to EXCO for approval.	19 August 2015	Director IDP
Sustainable Living Exhibition	22 – 23 August 2015	
Advertisement of the Final IDP Process Plan to members of the public.	29 August 2015	Director IDP
IDP Indaba	18 September 2015	Director IDP
Alignment Sessions	03 – 25 November 2015	Director IDP
First IDP Representative Forum <ul style="list-style-type: none"> ▪ Presentation of the Process Plan. ▪ The provision of feedback on the <i>status quo</i> and strategic framework components of the IDP. ▪ Deliberation on the comments received on the Final IDP (2015/16). ▪ Census 2011 comprehensive analysis. 	28 November 2015	Director IDP
Obtain Sector Departmental Input.	25 January 2016	Director IDP
IDP Stakeholders meeting	February 2016	Director IDP
NLM Strategic Planning Workshop	08 th – 11 th February 2016	Director IDP
Second IDP Representative Forum: <ul style="list-style-type: none"> ▪ Presentation of the NLM Draft IDP (2016/17) including the Budget and PMS ahead of the public participation process. ▪ Sector Plans Progress and finalization i.e. WSDP & Disaster. 	11 February 2016	Director IDP
IDP Progress Report to MANCO and tabling of NLM Draft IDP (2016/17) to EXCO.	18 February 2016	Director IDP
Council approval of NLM Draft IDP (2016/17)	24 February 2016	Director IDP
Posting of the NLM Draft IDP (2016/17) onto the municipal website in line with legislative requirements.	22 February 2016	Director IDP
IDP/Budget Roadshows	25 – 14 February 2016	Director IDP
21 Days Advertisement Period of IDP for public comments	25 February 2016	Director IDP
Submission of NLM Draft IDP (2016/17) to COGTA.	26 February 2016	Director IDP
Final IDP Representative Forum: <ul style="list-style-type: none"> ▪ Feedback on comments received during the 21 day advert period on the Budget and IDP as well as the public participation process and suggested ways of addressing these issues. ▪ Recommendations by the IDP RF for adoption of the NLM Final IDP (2016/17) by Council. 	14 April 2016	Director IDP
MANCO to deliberate on NLM Final IDP (2016/17)	18 April 2016	Director IDP
EXCO to recommend approval of NLM Final IDP (2016/17)	21 April 2016	Director IDP
Council Meeting for the adoption of NLM Final IDP (2016/17).	26 April 2016	Director IDP
Submission of NLM Final IDP (2016/17) to COGTA.	29 April 2016	Director IDP
Provincial IDPs Assessment week.	07 - 29 April 2016	Director IDP
Posting of the NLM Draft IDP (2016/17) onto the municipal website in line with legislative requirements.	03 May 2016	Director IDP
Advertisement of NLM Final IDP (2016/16) for public consultation on the adoption by Council.	05 May 2016	Director IDP

1.6.1. SECTOR DEPARTMENT INVOLVEMENT

In general, sector planning is very weak within the South African Local Government system as municipalities are not getting recognition as development overseers within their respective areas of jurisdiction. As yet there is no effective legislation that makes it compulsory for all sector departments to align their budgets with municipal budgets and allocate resources

using the prioritization list available from municipalities through consultations with communities.

However, Newcastle Municipality has investigated an alternative mechanism which has brought sector departments to be fully involved into the IDP process. The mechanism adopted was to engage sector departments on a one-on-one basis in order to deal with specific issues affecting the municipality. Sector departments have also fully participated on the IDP Representative Forums held by the municipality throughout the year. As a result, the municipality has enjoyed working with the following departments and their participation has made significant improvements towards service delivery:-

- ☛ Department of Transport;
- ☛ Department of Co-Operative Governance and Traditional Affairs (COGTA);
- ☛ Department of Social Development;
- ☛ ESKOM;
- ☛ Department of Public Works;
- ☛ Department of Health;
- ☛ Department of Economic Development and Tourism;
- ☛ Department of Arts and Culture (Library and Museum sections); and
- ☛ Department of Human Settlements.

1.6.2. ALIGNMENT WITH THE DISTRICT FAMILY OF MUNICIPALITIES

Various meetings were also held with the district family of municipalities to align the IDPs and these include the District Area Planning and Development Forum, the District Public Participation Forum, and the ADM IDP Steering Committee in naming just a few. The following is an indication of some of the key alignment issues addressed to date:-

- ☛ The IDPs of the Amajuba family are focusing on the outcome based IDP approach thereby align with the Key Performance Areas developed by national government.
- ☛ Both the SONA and SOPA have been incorporated into the IDPs.

- ☛ Outcome 9 has been incorporated into the IDPs there by giving emphasis to good governance and sustainable human settlements (Outcome 8).
- ☛ The PGDP has been incorporated as part of improving the alignment between the province and local government.
- ☛ The DGDP has been incorporated as a means to improve alignment between the district and local government.
- ☛ The IDPs have given emphasis to the Sukuma Sakhe Program and its associated impact on communities – the fight against poverty through job creation.
- ☛ The IDP has also taken cognisance of the 8 Millennium Development Goals as signed in the Millennium Declaration by 189 World Leaders in the Millennium Summit (2000).
- ☛ Furthermore, the issues raised at COP 17 on climate change have also been incorporated. These include the implementation of solar energies and smart and conventional meters on new housing developments.
- ☛ The new settlement patterns will consider floodlines and the introduction of disaster management centres.

1.7. KEY DEVELOPMENT CHALLENGES

Although the NLM has made significant progress in addressing service backlogs and promoting development within its area of jurisdiction, there are still a number of key development challenges that face the municipal area and its people. These are discussed briefly and categorised according to the national key performance areas below.

1.7.1. SERVICE DELIVERY AND INFRASTRUCTURE

DEVELOPMENT CHALLENGES	RECOMMENDATION
Huge backlogs in the delivery of basic services (electricity, water, sanitation) within the Newcastle-East area (Johnstown, Blauwbosch and Cavan), Madadeni and Osizweni townships as well as the surrounding rural settlements located within the vicinity of the Ubuhlebonzinyathi area.	<ul style="list-style-type: none"> - Improved roll-out of projects towards basic service delivery particularly within the Madadeni, Osizweni and the JBC area including the surrounding rural settlements. - Basic Services Master Plan. - Construction of a new raw water source in order to improve access to potable water.
Challenges with the maintenance and development of basic road and storm-water infrastructure particularly within the Newcastle-East area.	<ul style="list-style-type: none"> - Roads and Stormwater Master Plan. - Improved roll-out of capital program towards basic road infrastructure particular within the Newcastle-East area.
Poor condition of public facilities and a general lack of the required tools and equipment for	<ul style="list-style-type: none"> - Improve access to public facilities through refurbishment of the related infrastructure.

DEVELOPMENT CHALLENGES	RECOMMENDATION
effective delivery of the related services. i.e. schools, clinics, community halls, early childhood education centers, the library etc.	- Introduction of new technology in order to improve access .i.e. outdoor gym equipment, ICT systems within libraries etc.
A huge housing backlog due to a large number of people in Newcastle residing in informal settlements, backyard shacks and poorly developed traditional housing structures. The low cost housing need in Newcastle is currently estimated at 74 991 units with the majority concentrated mainly in the Newcastle-East area.	- Improved roll-out of the housing program in order to meet the housing demand. - Introduction of Community Residential Units (CRUs).

1.7.2. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Over the last few years, Newcastle Municipality has gone through a process of fundamental transformation as an organisation with the intention of developing sufficient organisational capacity for an effective performance of municipal functions. As such, a new organogram was developed and is currently being implemented. The majority of critical positions, particularly those of Strategic Executive Managers and Directors have been filled. Management committees have been restructured and new systems and procedures introduced. The new challenges facing the organisation are none other than those of a learning and growing organisation and include issues such as gender equity, cascading down the organisational culture down the hierarchy, horizontal integration of development programmes, etc.

1.7.3. LOCAL ECONOMIC DEVELOPMENT

DEVELOPMENT CHALLENGES	RECOMMENDATION
Over the last few decades, the economy of Newcastle Municipality experienced variable trends marked, in all, by shifts from one sector to the other and a general decline in both output and performance thereof.	- Implementation of the Business Retention and Expansion Strategy in order to improve performance and output thereof. - Review of the NLM LED Strategy. - Development of bulk services and economic zones.
There has been a general decline in coal mining activity with Newcastle and the same applies for agricultural activity. This has led to the shedding of jobs hence increasing the levels of unemployment within Newcastle.	- Promotion of coal mining activity through the NLMs Revenue Enhancement Strategy. - Conservation of agriculturally valuable land. - Provision of support to SMME development particularly towards agrarian reform.
General decline in the manufacturing sector due to structural changes coupled with the poor performance of global financial markets.	- Implementation of the Business Retention and Expansion Strategy in order to improve performance and output thereof. - Strategic support and assistance to industry.
Unemployment, poverty and inequality fuelled by the concentration of employment opportunities in and around the Newcastle CBD.	- Improved roll-out of the LED program. - Promotion of urban agriculture in the denser urban settlements. - Assistance and support to SMMEs particularly within the MBO area.

DEVELOPMENT CHALLENGES	RECOMMENDATION
Vacancy of the Madadeni Industrial Centre due to its inability to attract investments.	<ul style="list-style-type: none"> - Implementation of the Business Retention and Expansion Strategy in order to improve performance and output thereof. - Strategic support and assistance to industry. - Skills training and development. - Development of relationships between industry and SETAs and other tertiary training institutions.
Concentration of private investments within the nodes of Newcastle-West (primary CBD node) and Newcastle-South (regional node), with minor investments to the nodes within the Newcastle-East area (Madadeni, Blaauwbosch, Osizweni). This has implications on the community's transportation economics through increased costs in order to access the related services within these few nodes.	<ul style="list-style-type: none"> - Continued rejuvenation and/or transformation of the Madadeni and Osizweni CBDs through urban renewal programs. - Promotion of private investments such as the proposed Sithole Mall, and the recently established Theku Plaza.

1.7.4. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

DEVELOPMENT CHALLENGES	RECOMMENDATION
Inadequate revenue collection systems within the municipality.	<ul style="list-style-type: none"> - Introduction of new technology towards improving revenue collection .i.e. water smart meters, prepaid electricity. - Strategic support and assistance to industry.
Low recovery of amounts owed for rendering of municipal services from consumer debtors.	<ul style="list-style-type: none"> - Outstanding accounts with no queries to be forwarded to the respective consumers for making the necessary payment arrangements. - Indigent verification. - Capacitating of staff and field workers.
Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts.	<ul style="list-style-type: none"> - Appointment of field workers. - Investigate the possible use of a service provider for meter reading as compared to performing the function in-house.
Lack of advice to Council on revenue enhancement mechanisms.	<ul style="list-style-type: none"> - Updated financial plan. - Capacity building towards revenue enhancement and the related mechanisms.

1.7.5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The Newcastle Municipality is a developmental local government structure that is committed to working with citizens and organised interest groups to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. This assertion complements the right of communities to participate in the decisions that affect development in their respective areas, and a corresponding duty on the municipality to encourage community participation in matters of local governance. The Municipality achieves this goal mainly through Ward Committee structures and a variety of other measures designed to foster open, transparent and consultative municipal governance.

However, the functionality and effectiveness of the ward committees remains a major challenge. Some of these are not unique to Newcastle Municipality as they relate to the design of the ward committee system as well as the procedures for their operation. As such, they are systemic in nature and should be addressed as part of government programmes to deepen democracy. Synergistic relations should also be strengthened with the business community, farmers associations, organised labour and other stakeholders.

1.7.6. CROSS-CUTTING DIMENSIONS

DEVELOPMENT CHALLENGES	RECOMMENDATION
The town serves as an administrative and economic hub for the North-Western part of KwaZulu-Natal, including the whole of Amajuba District and some of the surrounding areas in the Uthukela District and the Mpumalanga Province. However the key question raised relates to whether or not NLM is developed with sufficient infrastructure including adequate capacity to play its role as a sub-regional economic hub.	<ul style="list-style-type: none"> - Infrastructure Master Plan. - Absorption and retainment of highly skilled personnel within NLM.
There's been a rapid increase in the rate of urbanization in Newcastle resulting in the development of settlements along P483, in particular, linear settlements such as KwaMathukuza, JBC towards the Khathide area. Rapid urbanization bring with it many problems and places huge demands on the need for land, municipal services, housing, transportation and employment.	<ul style="list-style-type: none"> - Spatial integration through densification, gentrification and compaction. - Establishment of service delivery centers. - Sustainable human settlements.
NLM can broadly be defined as a region exhibiting a legacy of poor apartheid planning through an inefficient spatial pattern. This includes the low-density urban sprawl which is fuelled in the Newcastle-West area by anti-city values of suburbia that promotes large plots as an image of good urban living, a cellular development pattern that occurs in relatively discrete pockets based on the introverted concept of neighborhood unit or super block, and the separation of land uses, urban elements, races and income groups. The dominant land use pattern resembles a series of relatively homogenous blobs of different uses tied together by high speed transport routes.	<ul style="list-style-type: none"> - Spatial integration through densification, gentrification and compaction. - Development of community residential units (CRUs) in order to achieve higher densities within the urban areas.
Poor quality of the environment manifested in the form of deteriorating water quality, poor air quality, poor waste disposal and collection thereof, and a general lack of open spaces within NLM.	<ul style="list-style-type: none"> - Development of a climate change strategy. - Environmental awareness campaigns. - Development of positively performing open spaces. - Air quality management. - Water conservation awareness campaigns. - Planting of trees.
	<ul style="list-style-type: none"> - Improved roll-out of the LED program.





DEVELOPMENT CHALLENGES	RECOMMENDATION
High levels of poverty attributed to general low levels of income and skilled labour.	<ul style="list-style-type: none"> - Promotion of urban agriculture in the denser urban settlements. - Assistance and support to SMMEs particularly within the MBO area. - Skills training and development.
Disparities regarding residential densities within the municipality. Higher densities are found closer to established nodes as well as informal settlements. Subsequently the lower densities are found on the peri-urban areas located within the urban edge and other rural nodes beyond the urban edge. This has resulted in a disintegrated spatial pattern characterized by uniform, irregular, random and concentrated residential densities at specific areas.	<ul style="list-style-type: none"> - Spatial integration through densification, gentrification and compaction.
Lack of sufficient GIS data pertaining to the environment.	<ul style="list-style-type: none"> - Improved alignment with environmental management custodians such as KZN Wildlife as well as the World Wildlife Fund in order to align and streamline priorities towards improved environmental management and also data sharing. - Finalization of the environmental management framework.
The NLM waste disposal site is nearing the end of its carrying capacity hence its lifespan.	<ul style="list-style-type: none"> - Establishment of a new landfill site.

1.8. ORGANISATIONAL DEVELOPMENT STRATEGY

1.8.1. DEVELOPMENT VISION

The NLM long-term development vision was formulated within the context of the national and provincial vision statements as outlined in the National Development Plan (NDP) and the Provincial Growth and Development Strategy (PGDS). It reflects a joint commitment by the local leadership, municipal administration and the local communities to make Newcastle a better place and improve the quality of life for those who work and/or live in NLM.

The vision is based on the following overarching principles:-

-  Sustainability.
-  Integrated development.
-  Equitable access to basic services and public facilities.
-  Efficient and effective delivery of services.

1.8.2. DEVELOPMENT STRATEGY.

NLM development strategy is based on a long-term vision, but acknowledges the significance of issues that need to be addressed in the short to medium term. As such, the municipality has formulated development goals that seek to address the challenges facing the institution currently and reposition the area in a developmental path as follows:-

- ☛ To develop Newcastle as a service and industrial hub.
- ☛ To eradicate all forms of poverty and destitution/indigence.
- ☛ To be an example of service and governance excellence.
- ☛ To improve the quality of life.
- ☛ To achieve environmental sustainability.
- ☛ To promote gender equality and empowerment.

In the short to medium term, the municipality will initiate projects with clear targets and outputs towards the attainment of these goals. It will accelerate delivery of services and gradually consolidate outcomes so as to attain the desired future situation.

Particular focus will be paid to the following key areas of strategic intervention:-

- ☛ **Spatial integration and environmental sustainability:** Particular focus will be paid on developing systems and procedures for effective land use and environmental management.
- ☛ **Local economic development:** The municipality has a responsibility to create a climate conducive for public and private sector investment. As such, the municipality is committed to working with other government agencies and departments to deliver state of the art economic infrastructure that will facilitate development of effective service and industrial sectors.
- ☛ **Service delivery and infrastructure development:** The NLM is the sphere of government that is closest to the communities. This bestows a huge responsibility to deliver services where the municipality is directly responsible and coordinate the delivery of services that fall outside the constitutional obligations of the municipality.
- ☛ **Municipal transformation and organisational development:** The attainment of development goals as outlined above requires the municipality to establish effective

systems and procedures for both municipal administration and local governance. This includes attracting and retaining well trained, experienced and committed employees.

- ☛ **Municipal financial viability and management:** Funds will be a critical input in the process towards the attainment of the above-outlined goals. As such, it is critically important to ensure that the municipality is able to generate sufficient funds to be able to deliver services and facilitate development. Also important is the ability to account for the use and disbursements of public funds.
- ☛ **Good governance and public participation:** The municipality is committed to putting in place systems and procedures for accountable local governance. This includes oversight responsibilities, auditing function, risk management, etc. Members of the public will be kept informed and engaged in all municipal affairs.

1.9. PERFORMANCE MEASUREMENT

1.9.1. INTENDED IMPACT

Everything that NLM does should be done to impact as much as possible on the social and economic development of the area. In particular, the municipality will strive to provide services that meet the basic needs of the poor in their communities in a cost-effective and affordable manner. This can be achieved in two ways:-

- ☛ The NLM will provide some relief for the poor. Through Government policy, NLM is to provide a free basic amount of services for particularly water and electricity to households that do not have access to these services. NLM will also promote social development through arts and culture, the provision of recreational and community facilities, and the delivery of social welfare services.
- ☛ The NLM will work in partnership with local businesses to improve job creation and investment. It is not the role of NLM to create jobs but it will take active steps to improve the conditions for the creation of employment opportunities in the area. This includes preferential procurement of services.
- ☛ As a developmental local government, NLM will provide leadership to all those who have a role to play in achieving local prosperity and IDP is a critical tool in this regard.
- ☛ Municipal Councils such as the NLM play a central role in promoting local democracy. In addition to representing community interests within the Council, Councillors will ensure

that citizens and community groups are involved in the design and delivery of municipal programmes. Ward Committees and community consultation are important ways of achieving greater involvement.

- ☛ The municipality will also provide support to individual and community initiatives, and direct them to benefit the area as a whole. The involvement of youth organisations in this regard is of particular importance.

1.9.2. PERFORMANCE MANAGEMENT SYSTEM

The performance management system is a tool to monitor progress regarding municipal service delivery. It enables the municipality to focus on priorities within an increasingly complex and diverse set of demands and to direct resource allocations and institutional systems to a new set of development objectives. Newcastle Municipality's performance management system was developed in line with Chapter 6 of the Local Government: Municipal Systems Act (Act No. 32 of 2000) which requires local government to:-

- ☛ Develop a performance management system.
- ☛ Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP).
- ☛ Publish an annual report on performance management for the Councillors, staff, the public and other spheres of government.
- ☛ Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government.
- ☛ Conduct an internal audit on performance report audited by the Auditor-General.
- ☛ Involve the community in setting indicators and targets and reviewing municipal performance.

Newcastle Municipality's Organisational Performance Management System monitors the implementation of the IDP, and provides for corrective measures where there is insufficient progress. The PMS is based on a policy framework and covers the whole organisation. The framework caters for the development, implementation and roll-out of performance management within the Newcastle Municipality. This includes the alignment of the PMS process to that of the IDP and budget as is required in terms of the Local Government:

Municipal Finance Management Act (Act No. 56 of 2003). The following are some of the key aspects of this system:-

- ☛ Performance contracts which include performance plans for all section 57 employees.
- ☛ Service Delivery and Budget Implementation Plan.
- ☛ Organizational Scorecard.
- ☛ Annual report.
- ☛ Quarterly performance reviews.

The objectives of Newcastle Municipality's Organizational Performance Management System are as follows:-

- ☛ Facilitate increased accountability;
- ☛ Facilitate learning and improvement;
- ☛ Provide early warning signals; and
- ☛ Facilitate decision-making.

Performance management may be defined as a strategic process to management (or system of management) which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continually monitor, periodically measure and review the performance of the organization in terms of indicators and targets for efficiency, effectiveness and impact. Regulations 7 of the Performance Management Regulations (2001) requires every municipality to develop a performance management system (PMS). In addition, Regulation 13 of the Performance Management Regulations requires that the municipality must, after consultation with the community, develop and implement mechanisms, systems and processes for the monitoring, measurement and review of performance in respect of the key performance indicators and targets set by it.

SECTION 2: PLANNING AND DEVELOPMENT PRINCIPLES

2. POLICY REVIEW

Planning and development in NLM occurs within the national and provincial policy framework, and provides for the implementation of the priorities as outlined in these documents.

2.1. NATIONAL POLICY FRAMEWORK

2.1.1. NATIONAL DEVELOPMENT PLAN

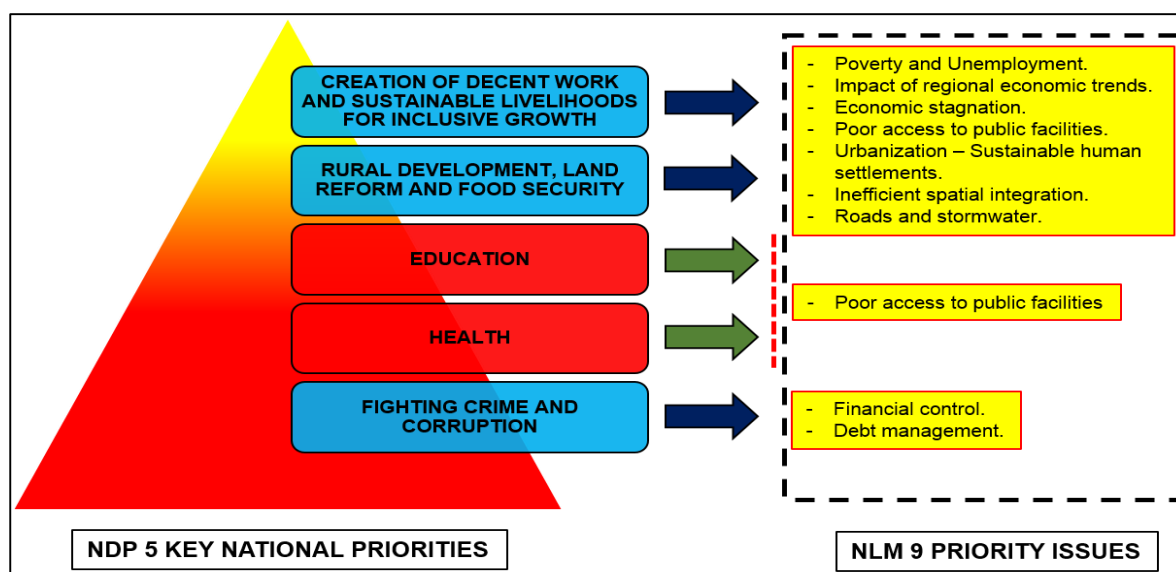


Diagram 2: Alignment between the NDP's 5 Key National Priorities and NLM's 9 Priority Issues.

The national development vision is outlined in various national policy documents, and consolidated in the National Development Plan (NDP). The National Development Plan is presented in 15 chapters, addresses the major thematic areas facing the country in detail, and outlines a national development strategy. It focuses on the critical *capabilities* needed to transform the economy and society. Achieving these capabilities is not automatic, nor will they emerge if the country continues on its present trajectory. Rising levels of frustration and impatience suggest that time is of the essence: failure to act will threaten democratic gains. In particular, South Africa must find ways to urgently reduce alarming levels of youth unemployment and to provide young people with broader opportunities. As such, the NDP sets out clear objectives and targets as follows:-

- The unemployment rate should fall from 24.9% in June 2012 to 14% by 2020 and to 6% by 2030. This requires an additional 11 million jobs. Total employment should rise from 13 million to 24 million.

- ☞ The public works programme should be broadened thus to expand and cover 2 million fulltime equivalent jobs by 2020.
- ☞ The labour force participation rate should rise from 54% to 65%. The cost of living for the poor households should be reduced together with the cost of doing business through microeconomic reforms.
- ☞ The proportion of people with access to the electricity grid should rise to at least 90% by 2030, with non-grid options available for the rest.
- ☞ A comprehensive management strategy to be developed including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2012, with reviews every five years.
- ☞ To create regional water and wastewater utilities, and expand mandates of the existing water boards (between 2012 and 2017).
- ☞ An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030.
- ☞ Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.

The National Development Plan requires local government to play a meaningful and active role in ensuring the implementation of the vision 2030. The plan compels local government to be service delivery oriented in ensuring that the following is achieved:-

- ☞ A comprehensive management strategy including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2012, with reviews every five years.
- ☞ Create regional water and wastewater utilities, and expand mandates of the existing water boards (between 2012 and 2017).
- ☞ An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030.
- ☞ Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.

- ☞ Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, support to small and micro farmers, a review of mining industry commitments to social investment, and tourism investments.
- ☞ A strong and efficient spatial planning system, well integrated across the spheres of government.
- ☞ Upgrade of all informal settlements on suitable, well located land by 2030.
- ☞ More people living closer to their places of work and better quality public transportation.
- ☞ More jobs in or closer to dense, urban townships.
- ☞ Develop a strategy for densification of cities and resource allocation to promote better located human settlements.
- ☞ By 2030, people living in South Africa should feel safe and have no fear of crime. They should feel safe at home, at school and at work, and they are to enjoy an active community life free of fear. Women are to walk freely in the street and the children play safely outside.

The aim of the Plan was to respond quickly to South African's aspirations and ensure that inclusive economic growth was the main agenda for development.

2.1.2. 14 NATIONAL OUTCOMES

The IDP adopts an outcome based approach in line with the national government priorities and the associated 14 outcomes (refer to Box 2 below). Early in the National Cabinet, adopted were twelve outcome areas that collectively address the main strategic priorities of government. Subsequently, two new outcomes were introduced making it 14 national outcome areas aimed at addressing government priorities. The strategic objective of the outcome based approach is to improve service delivery across all spheres of government and to introduce a systematic planning, monitoring and evaluation process.

Box 2: 14 National Outcomes

1. An improved quality of basic education.
2. A long and healthy life for all South Africans.
3. All South Africans should be safe and feel safe.
4. Decent employment through inclusive growth.
5. A skilled and capable workforce to support an inclusive growth path.
6. An efficient, competitive and responsive economic infrastructure network.
7. Vibrant, equitable, sustainable rural communities with food security for all.
8. Sustainable human settlements and an improved quality of household life.
9. **A responsive, accountable, effective and efficient local government system.**
10. Environmental assets and natural resources that are well protected and enhanced.
11. A better Africa and a better world as a result of South Africa's contributions to global relations.
12. An efficient and development-oriented public service and an empowered, fair and inclusive citizenship.
13. An inclusive and responsive social protection system.
14. Transforming society and uniting the country.

High level Negotiated Service Delivery Agreements (NSDA) based on these outcomes have been concluded between the President and national ministers. The National Outcome Nine (9) commits the Minister of Cooperative Governance and Traditional Affairs to develop a local government system which is responsive, accountable, effective, and efficient. In line with Outcome 9 (refer to Box 3), Newcastle Municipality's IDP responds directly to issues facing the area and its communities with the aim of rendering local government services efficiently and effectively.

However, the municipality will also contribute directly and indirectly to the attainment of other outcomes, particularly those dealing with economic development, infrastructure development, rural development and environmental management. Therefore, alignment with the relevant sector frameworks and programmes across the spheres of government is critical.

2.1.3. LOCAL GOVERNMENT OUTCOME 9

As an effort to focus government initiatives and manage public expectations, the national government has adopted an Outcome Based Approach. Based on the Medium Term Strategic Framework (MTSF), 14 outcomes have been identified (refer to Box 2). Outcome 9 deals with local government and affects Newcastle Municipality directly. It moves from a premise that local government is a key part of the reconstruction and development effort in South Africa, and that aims of democratizing society and growing the economy inclusively can only be realized through a responsive, accountable, effective, and efficient local government system that is part of a developmental state. The government has identified the following Outputs for Outcome 9:-

- ☛ Output 1: Implement a differentiated approach to municipal financing, planning and support.
- ☛ Output 2: Improving access to basic services.
- ☛ Output 3: Implementation of the Community Work Programme.
- ☛ Output 4: Actions supportive of the human settlement outcome.
- ☛ Output 5: Deepen democracy through a refined Ward Committee Model.
- ☛ Output 6: Administrative and financial capability.
- ☛ Output 7: Single window of coordination.

2.1.4. STRATEGIC INFRASTRUCTURE PROGRAMME (SIP)

Government recently adopted an Infrastructure Plan that is intended to transform the economic landscape of South Africa, create a significant number of new jobs, strengthen the delivery of basic services to the people of South Africa and support the integration of African economies. The Presidential Infrastructure Coordinating Commission (PICC), with its supporting management structures, has been established to integrate and coordinate the construction of long term infrastructure.

The plan is based on an objective assessment of the infrastructure gaps through spatial mapping which analyses future population growth, projected economic growth and areas of the country which are not served with water, electricity, roads, sanitation and communication. Based on this work, seventeen Strategic Infrastructure Projects (SIPs) have been developed and approved to support economic development and address service

delivery in the poorest provinces. Each SIP comprise of a large number of specific infrastructure components and programmes.

Among the 17 projects are the initiatives to improve the movement of goods through the Durban-Free State-Gauteng logistics and industrial corridor by prioritising a range of rail and port improvements, supported significantly by a R300-billion investment programme by Transnet over the coming seven years. One of the rail links targeted for upgrading runs through Newcastle and is the main Durban Johannesburg link. Subsequent to this is the upgrade and expansion of the N11 road linking the city of EThekweni in Durban, via Newcastle to Johannesburg and Mpumalanga Province. These infrastructure programs are meant to boost the economy of the country in order to achieve the vision 2030. In conclusion, Newcastle has also been identified as one of the Industrial hubs with particular emphasis on the manufacturing sector which is textile and chemicals.

2.1.5. THE STATE OF THE NATION ADDRESS (SONA) – 2016

In the recent State of the Nation Address held on the occasion of the Joint Sitting of Parliament in Cape Town, the President outlined national government priorities for this year. He briefly explained the current scenario in terms of South Africa's economic outlook, highlighting global issues that have an influence on the economic performance of South Africa. He also made mention of the economies of two of South Africa's BRICS partners, namely Brazil and Russia, stating that they are expected to diminish this year. Furthermore, he made mention of China stating the expected healthy growth of the country's economy. In view of the President, due to the abovementioned global economic activity, South Africa is expected to be affected by all the developments. Domestically South Africa is also facing challenges that manifest themselves in the form of electricity constraints and unstable industrial relations in naming just a few.

According to the International Monetary Fund and the World Bank, South Africa's economy will grow by less than 1% this year, which is viewed as a low economic growth suggesting lower revenue collection than previously expected. South Africa is also facing a risk of losing its investment grade status from rating agencies which will make it difficult for us to borrow money from abroad for funding development initiatives. In order to counteract the forecasted misfortune to South Africa in general, the President shared a few points towards making a difference and these are as follows:-

- ☛ South Africa is an attractive investment destination and thus we must continue to market the country as a preferred destination for investments through a common narrative from business, labour and government;
- ☛ South Africa should address the need relating to the creation of the appropriate investment support infrastructure through governments One Stop/Invest SA initiative that will signal South Africa as a destination that is open for business;
- ☛ South African Tourism will invest R100 million a year towards promoting domestic tourism, encouraging South Africans to tour the country;
- ☛ There is a need to empower small, medium and micro enterprises (SMMEs) to accelerate their growth through the provision of access to high-quality, innovative business support towards improvement of success of new ventures;
- ☛ Economic transformation and black economic empowerment remain a key part of all economic programmes by government;
- ☛ The budget vote dinners for stakeholders hosted by government departments in Parliament will no longer take place, and executive management, boards of public agencies, SOCs, Premiers and Mayors must undertake similar measures and eliminate wasteful expenditure within government;
- ☛ Regulation of Land Holdings Bill which will place a ceiling on land ownership at a maximum of 12 000 hectares and prohibit foreign nationals from owning land;
- ☛ Government will continue to assist farmers and also provide water-tank services to communities;
- ☛ The building of water infrastructure remains critical in order to expand access to people and industry;
- ☛ Government will fast-track the implementation of the first phase of broadband roll-out to connect more than 5 000 government facilities in eight district municipalities over a three-year period;
- ☛ To revive the HIV/Aids prevention campaigns especially amongst the youth;
- ☛ Active monitoring of the Back to Basics program by national government through unannounced municipal visits, spot checks of supply chain management processes, the implementation of recommendations of forensic reports, site visits to Municipal

Infrastructure Grant funded projects, and increased interventions to assist struggling municipalities;

- A 10-Point Plan of Back to Basics priority actions has been developed to guide the second phase of the Back to Basics programme.

Newcastle commits itself to achieving the priorities of government at local level through working with citizens to improve their lives. Through the introduction of efficient LED Strategies, NLM will foster the creation of employment opportunities and SMME development within its jurisdictional area. The conservation of energy is of crucial importance hence NLM is committed to the creation of awareness at household level in order to improve the efficient use of electricity. Furthermore, through the improvement of infrastructure within the jurisdictional area, a conducive environment for both domestic and international private investors will be created. NLM realises that an effective Land Use Management System is vital for the conservation of valuable agricultural land. Thus we commit ourselves to the development of an efficient Land Use Management Scheme in order to facilitate Land Reform and Agrarian Reform. Regarding government's policy on Back to Basics, NLM shall continue to deliver an efficient level of services to its communities and also strive to reach out to the areas which were previously marginalised in order to breach the gap on the basic service backlogs.

2.1.6. INTEGRATED URBAN DEVELOPMENT FRAMEWORK (2014)

The Integrated Urban Development Framework is designed to unlock the development synergy that comes from coordinated investments in people and places and aims to guide the development of an inclusive, resilient and liveable urban settlements, while directly addressing conditions and challenges facing South Africa's cities and towns. This it does through a new approach to urban investment by the developmental state, which in turn guides the private sector and households in line with its vision which is as follows:-

'Liveable, safe, resource-efficient cities and towns that are socially integrated, economically inclusive and globally competitive, where residents actively participate in urban life.'

Due to a variety of cities and towns in South Africa with differentiated attributes that influence the respective roles they play and the requirements thereof, the vision has to be interpreted and pursued in differentiated and locally relevant ways and this may be done through the introduction of the following 4 strategic goals:-

- ☛ **Access:** to ensure people have access to social and economic services, opportunities and choices.
- ☛ **Growth:** to harness urban dynamism for inclusive, sustainable economic growth and development.
- ☛ **Governance:** to enhance the capacity of the state and its citizens to work together to achieve social integration.
- ☛ **Spatial Transformation:** to forge new special forms in settlement. Transport, social and economic areas.

The 4 strategic goals mentioned above inform the priority objectives of the eight levers and these eight levers are premised on an understanding that:-

- 1) Spatial Planning forms the basis for achieving integrated urban development, which follows a specific sequence of urban policy actions;
- 2) Integrated transport that informs;
- 3) Targeted investments into integrated human settlements, underpinned by;
- 4) Integrated infrastructure network systems and;
- 5) Efficient land governance, which all together can trigger;
- 6) Economic diversification and inclusion, and;
- 7) Empowered communities, which in turn will demand;
- 8) Deep governance reform to enable and sustain all of the above.

The following entails the Integrated Urban Development Frameworks 8 policy levers aimed towards addressing the structural drivers that will promote that current scenario of cities and towns:-

Policy Lever 1: Integrated Spatial Planning.

Policy Lever 2: Integrated Transport and Mobility.

Policy Lever 3: Integrated and Sustainable Human Settlements.

Policy Lever 4: Integrated Urban Infrastructure.

Policy Lever 5: Efficient Land Governance and Management.

Policy Lever 6: Inclusive Economic Development.

Policy Lever 7: Empowered Active Communities.

Policy Lever 8: Effective Urban Governance.

POLICY LEVERS	LONG-TERM STRATEGIC PRIORITIES	SHORT-TERM PRIORITIES	STRATEGIC
Policy Lever 1: Integrated Spatial Planning.	<ul style="list-style-type: none"> Support and strengthen capacity to implement SPLUMA. Improve integrated planning and management. Maximise existing IGR structures as a mechanism for planning coordination. Ensure greater involvement by Premiers and MECs. Strengthen intergovernmental and long-term planning. 	<ul style="list-style-type: none"> Expand the instruments for spatial intervention. 	
Policy Lever 2: Integrated Transport and Mobility.	<ul style="list-style-type: none"> Clarify roles and responsibilities (institutional arrangements). Strengthen and integrate public transport modes. Identify core public transport nodes and corridors. Develop and operational subsidisation policy. 	<ul style="list-style-type: none"> Monitoring and review of policies as required. 	
Policy Lever 3: Integrated and Sustainable Human Settlements:-	<ul style="list-style-type: none"> Finalise the Human Settlements White Paper. Accelerate the upgrading of informal settlements. Priorities the regeneration of the inner cities. Provide more housing options. Finalise the devolution of the housing function. Promote densification, including supporting backyarding in townships and low-cost housing neighbourhoods. Redevelop townships. Develop a national policy on inclusionary housing. 	<ul style="list-style-type: none"> Monitoring and review of policies as required. 	
Policy Lever 4: Integrated Urban Infrastructure.	<ul style="list-style-type: none"> Institutionalise municipal long-term infrastructure planning. Consolidate and coordinate infrastructure funding. Strengthen partnerships and intergovernmental planning. Develop infrastructure as a bridge between rural and urban areas. 	<ul style="list-style-type: none"> Initiation of plans for the second phase of long-term social and economic infrastructure development and the diversification of South Africa's economic base. 	
Policy Lever 5: Efficient land governance and management.	<ul style="list-style-type: none"> Simplify land-use planning and management. Rethink the role of the Housing Development Agency (HAD). Speed up land tenure. Promote land value capture. Consolidate and simplify the legislation governing the disposal of state land. 	<ul style="list-style-type: none"> Address the fragmentation in public land information. 	

POLICY LEVERS	LONG-TERM STRATEGIC PRIORITIES	SHORT-TERM PRIORITIES	STRATEGIC
	<ul style="list-style-type: none"> • Ensure legislative concepts are applied consistently. • Address impacts of Traditional Authority areas within predominantly urban municipalities. • Improve municipal access to land owned by the state and SOEs. • Improve intergovernmental relations for the acquisition and transfer of state land. 		
Policy Lever 6: Inclusive Economic Development.	<ul style="list-style-type: none"> • Strengthen the economic role of municipalities. • Strengthen municipal institutional capacity in economic development. • Strengthen support for small and medium sized towns. • Support municipalities in building and using economic intelligence. • Initiate shared economic development strategies for cities and towns. • Strengthen roles and leverage partnerships with other economic stakeholders. • Improve relations between municipal councils and traditional authorities. • Create the local conditions for supporting enterprise development and growth. • Progressively improve inclusive economic infrastructure and services. • Support community-based enterprises and work. • Support livelihoods as a core principle of inclusive urban management. 	<ul style="list-style-type: none"> • Build distinctive strengths and extend/link regional economic value chains. 	
Policy Lever 7: Empowered Active Communities.	<ul style="list-style-type: none"> • Complete the National Framework on Participatory Governance. • Develop models for civic education. • Establish and maintain public participation forums at various levels. • Build institutional capacity to engage. • Explore co-production mechanisms for finding solutions to local government services. • Develop a social media strategy. • Explore service delivery mechanisms for other social services. 	<ul style="list-style-type: none"> • Innovative Empowerment. 	Neighbourhood
Policy Lever 8: Effective Urban Governance	<ul style="list-style-type: none"> • Promote a stronger positioning of metro government. • Strengthen intergovernmental and long-term planning and budgeting. • Improve fiscal management to meet the demands of urban growth. • Streamlining of national monitoring of municipal performance. 	<ul style="list-style-type: none"> • Establishment of a National Statutory Council 	

As a means to uphold the policy levers of the Integrated Urban Development Framework, Newcastle Municipality is committed to achieving IUDF's long and short-term strategic priorities at a local level through various measures such as integrated spatial planning through effective land use management systems and the development of the wall-to-wall scheme, the development of the integrated traffic and transportation plan, planning for the provision of sustainable human settlements, the delivery of a capital programme towards the development of infrastructure, and upholding local economic development through related programmes such as the Annual Newcastle Small Business Week. NLM's priorities and strategies are aimed at developing sustainable human settlements, improving spatial integration, and generating wealth and creating sustainable jobs. NLM promotes good governance by promoting a culture of public representation through its effective ward committee system. Newcastle's urban centers are multi-functional nodes, with strong transportation hubs incorporating a variety of land use activities such as commercial, retail, cultural and residential. The CBD provides employment for a large percentage of the population and links suburban and township populations through a transportation network. The CBD is also an important source of regional economic growth, and makes significant contributions to the GDP of the Amajuba District family of municipalities.

2.2. PROVINCIAL POLICY FRAMEWORK

2.2.1. PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY

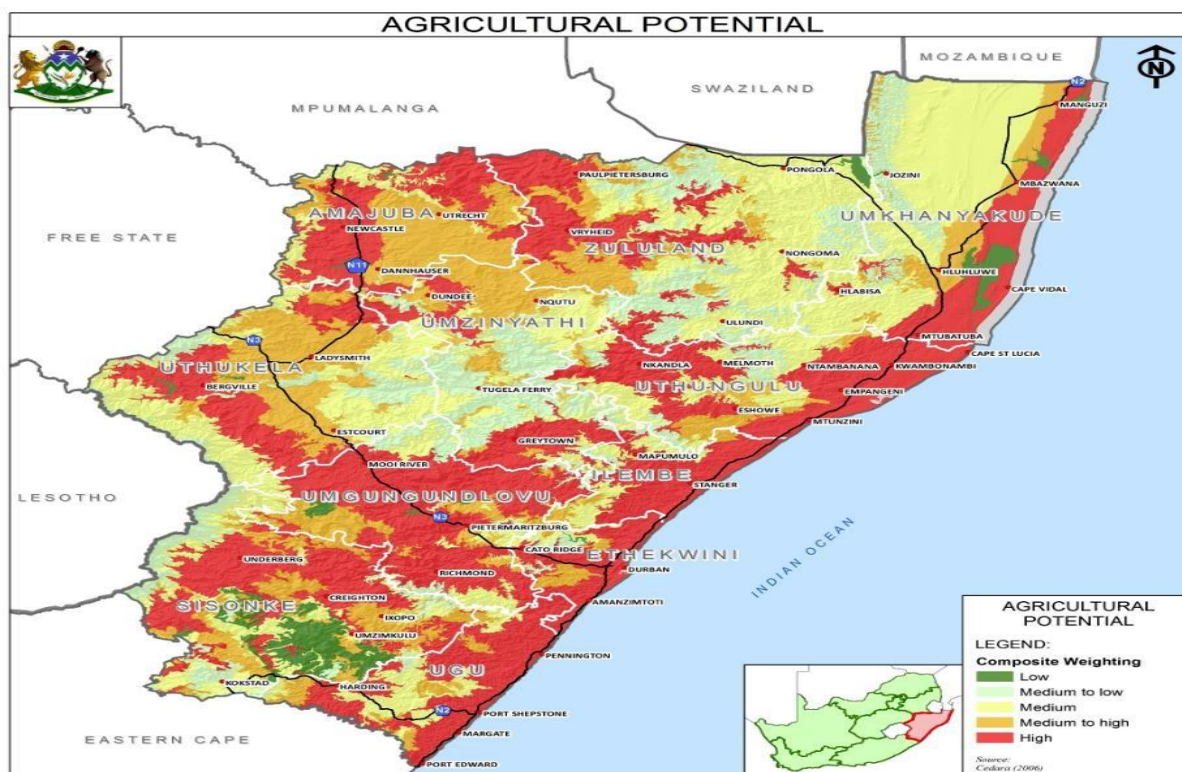
The KwaZulu-Natal Province's development vision is outlined in the Provincial Growth and Development Strategy (PGDS). The PGDS is a primary strategy for KwaZulu-Natal that drives growth and development in the Province to 2030. It provides the province with a rational strategic framework for accelerated and shared economic growth through catalytic and developmental interventions, within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments (PGDS, 2011). Concomitant attention is also given to the provision of infrastructure and services, restoring the natural resources, public sector leadership, delivery and accountability, ensuring that these changes are responded to with resilience, innovation and adaptability. The NLM IDP is formulated within the framework of the PGDS and is fully aligned with the provincial development goals.

The PGDS identifies 7 strategic goals and 30 strategic objectives designed to move the KwaZulu-Natal Province progressively towards the attainment of the 2030 development vision. These goals and objectives are as relevant to the Newcastle Municipality as they are

for the KwaZulu-Natal Province. This is despite some not being direct functions of local government. Goal 3 to goal 7 form an integral part of local government agenda and focus areas for the Newcastle Municipality.

Figure 3: PGDS Strategic Framework.

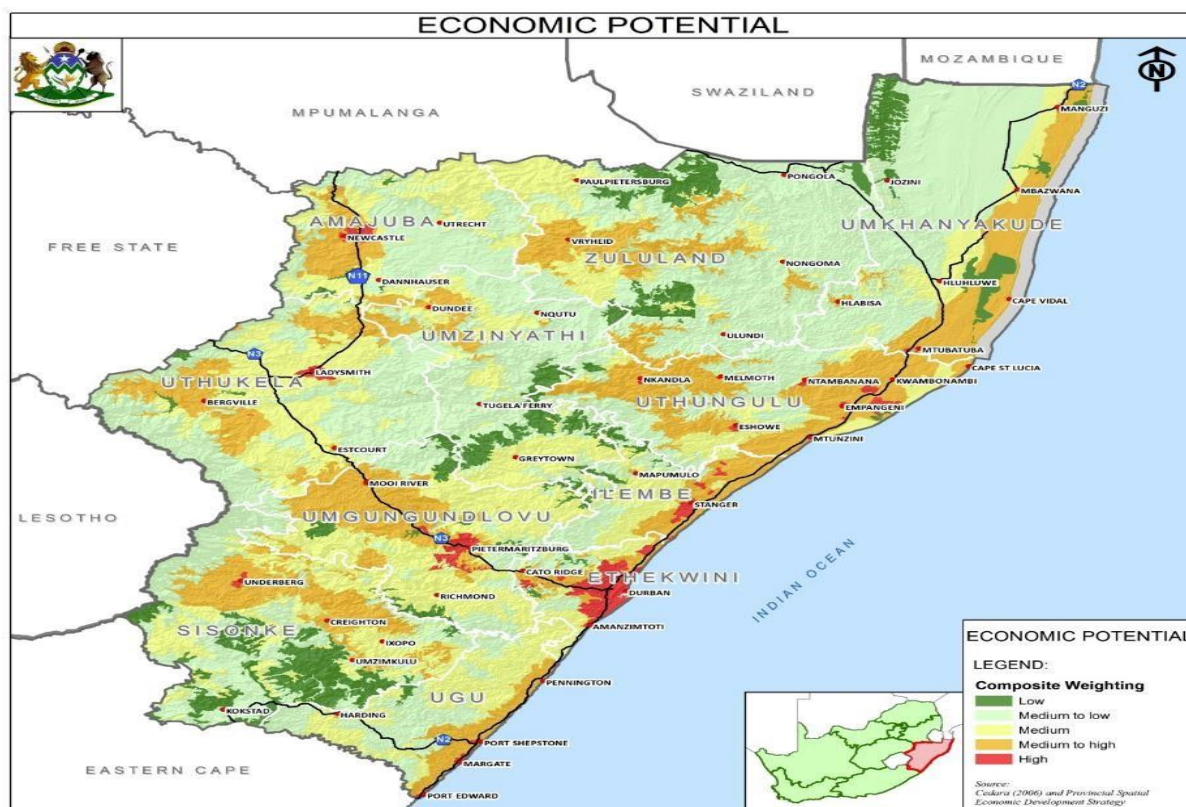




Map 1: PGDS general distribution of high potential agricultural land within the KZN province.

The agricultural sector is key in order to address poverty within the province of KwaZulu-Natal since most of the areas are currently experiencing high levels of poverty, more specifically within rural areas. The agricultural sector's contribution towards the provincial economy is minimal, but has the potential to increase if its full potential is realised. The commercial agricultural sector is the major employer within major municipalities and forms the economic anchor of such municipalities. Subsistence agriculture is regarded as the most important source of sustenance for a majority of rural households. The challenge towards reducing unemployment and poverty may be addressed through the transformation of commercial agriculture and improve the linkages between the first economy commercial agriculture and the second economy subsistence agriculture in order to develop subsistence agriculture into small-scale commercial agriculture. The Agrarian Reform coupled with effective Land Reform are identified as key instruments towards achieving agricultural development. According to the map above, Newcastle has been identified by the KZN PGDS as having high agricultural potential. The implications thereof to local government is the need to develop strategies towards developing agricultural potential within Newcastle, with emphasis being placed on the need to release concealed potential which mostly exists in the Ingonyama Trust Lands, and support of the land reform initiatives in the KZN province. The agricultural potential may further be boosted through unleashing the potential of the Ingonyama Trust Land through

improved communication and alignment of local government initiatives with those of the Tribal Authority.



Map 2: PGDS map illustrating the spatial distribution of the high potential areas in terms of Agriculture, Industry and Tourism within the KZN province.

The potential for industrial development in KwaZulu-Natal is anchored by the nodes of eThekweni and Umhlathuze. The corridors between these two nodes and extending up to Howick from the primary zone of industrial development in the province are also realised as areas with potential for industrial development. The cities of Newcastle, Ladysmith and Port Shepstone serve as important secondary nodes of industrial development potential to support economic growth and job creation. In terms of tourism, the areas of national tourism potential within KZN are the Southern Zululand and Dolphin Coast, the Elephant Coast and surrounds, the greater Pietermaritzburg and Durban region, and the Drakensburg region. The following entails a list of the tourism products that are of provincial significance:-

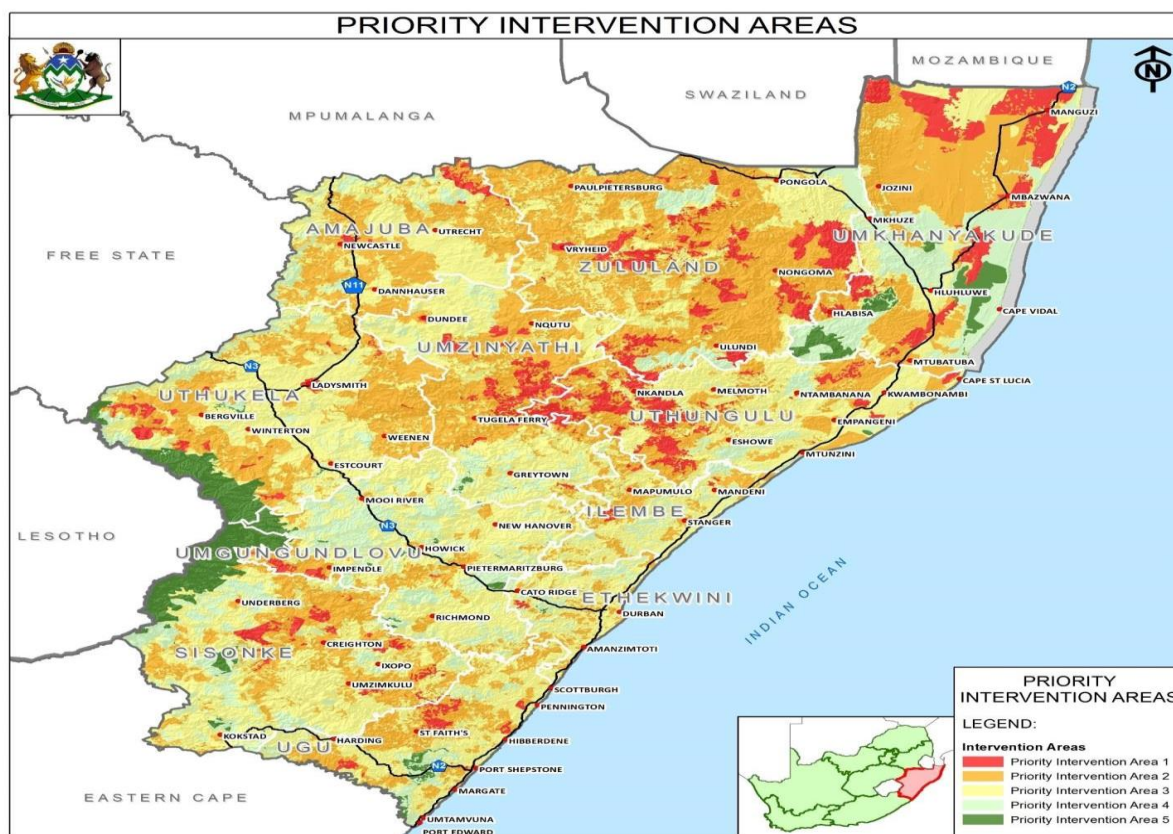
- ☛ Arts and crafts routes in Midlands Meander and Albert Falls Amble;
- ☛ Durban, South-coast and North-coast Beach Tourism linked to cultural tourism in the interior Drakenberg region;
- ☛ Greater St. Lucia and surrounding big five reserves;

- ☛ Zulu Heriateg and Cultural Trail; and
- ☛ Battlefields Route.

An analysis of the economic contribution within the various sectors in the districts of the KZN province indicate that, with the exception of two districts, the service sector (i.e. government services) is the largest contributor to district economies. The service sector is in fact the largest sector in the provincial economy, contributing 52,8% to GGP. The sector comprises of the following:-

- ☛ Wholesale/trade;
- ☛ Transport/storage;
- ☛ Communication;
- ☛ Real estate;
- ☛ Business services;
- ☛ Community/social/personal services; and
- ☛ Government services.

The strategy of the PGDS builds on the concept of developing a comprehensive network of centres throughout the province which will support the delivery of services. Services delivered will be determined by various nodes according to the hierarchy of places. In identifying the hierarchy of places, existing service centres are strengthened, and new or emerging service centres are developed. Also supported is the principle of shared service centres in the smaller rural centres across the KZN province. It is envisaged that in time growth and development in these rural service centres may lead to the realisation of further economic development and activity, justifying additional government investment in the three sectors already discussed. Newcastle is identified as having High Economic Potential, and has the ability to perform as a shared service centre for the surrounding more rural settlements within the region. Newcastle has well-developed retail and trade sector, well-developed transportation and the related infrastructure, access to community services and social services, and well-developed business and government services. Newcastle is also regarded as a place where the development of all the four major sectors of the economy have been identified i.e. Agriculture, Tourism, Industry and Services sector. In simple terms, Newcastle is has multi-sectoral economic potential.



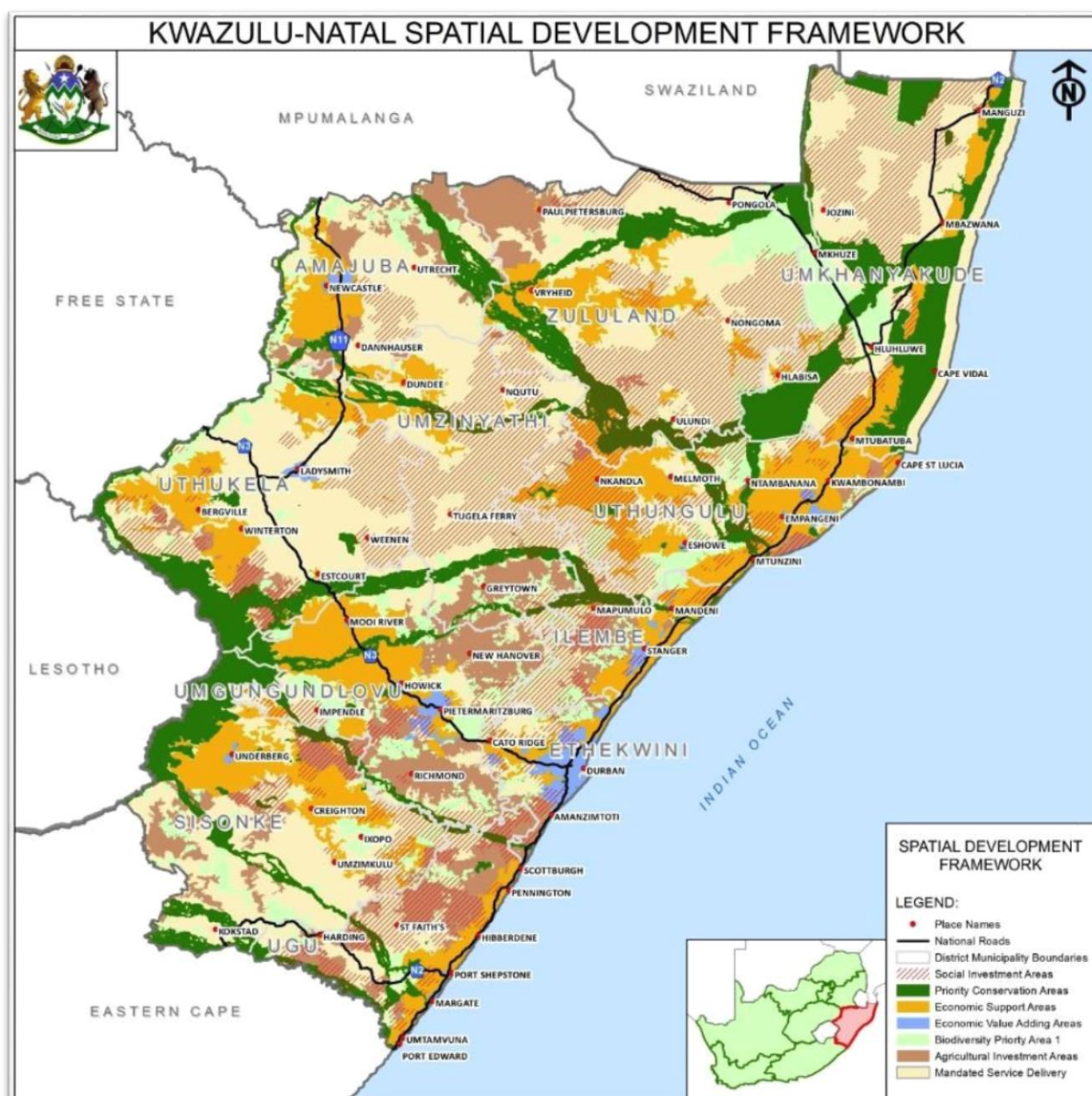
Map 3: The PGDS composite map of Priority Interventions Areas.

Priority Intervention Area 1 and 2 are identified as areas where urgent short-term concentration and co-ordination of public interventions are required, with other intervention areas systematically being attended to. The type and extent of interventions which would be targeted at these areas, will be formulated jointly with the various district municipalities against the framework of the PGDS, its goals, objectives and envisaged interventions. Newcastle Municipality is identified as Priority Interventions Area 2 in this regard.

highest synergies between public and private investment would occur. Possible interventions for such areas include the following:-

- ☛ Promotion as a Primary Node in support of corridor development;
- ☛ Promotion of Integrated Urban Development towards combating Urban Sprawl;
- ☛ Promotion of Infills where high levels of services are available;
- ☛ Promotion of the provision of Bulk Infrastructure Upgrades;
- ☛ Promotion of Priority Spending towards Infrastructure Upgrades;
- ☛ Promotion of effective and efficient public transportation system in support of intermodalism i.e (road-air; rail-air; air-road).

Newcastle Municipality is also identified by the KZN Spatial Development Framework as an Economic Support Area based on its potential within the agricultural, tourism, manufacturing, and services sectors.



Map 5: Provincial Spatial Development Framework.

2.2.2. AMAJUBA DISTRICT GROWTH AND DEVELOPMENT PLAN

The development vision of the Amajuba District is further detailed with the recently developed Amajuba District Growth and Development Plan which is essentially an attempt to cascade the development vision of the KZN PGDP into action. The main objectives of the plan are as follows:-

- ☛ To establish and outline a long term vision and direction for the development in the district (vision 2030);

- ☛ To provide an overarching and coordinated framework for planning and development initiatives within each of the local municipalities and across municipal boundaries;
- ☛ To provide a spatial context and justification for priority interventions;
- ☛ To guide resource allocations of various spheres of government, service delivery agencies and private sector working within the district;
- ☛ To develop the institutional arrangement for an effective implementation of the Amajuba DGDP and the KZN PGDS;
- ☛ To align and integrate departmental strategic plans at a district level;
- ☛ To facilitate commitment of resources (human, financial, etc.) towards the implementation of strategic objectives, catalytic initiatives and other district priorities.

The Amajuba DGDP will achieve its objectives through 7 Strategic Goals directly aligned to the KZN PGDP. The ADM 7 Strategic Goals are as follows:-

	GOALS	INTERVENTION
1.	Job Creation	Expanded provincial economic output and employment.
2.	Human Resource Development	The human resource capacity of the province is adequate, relevant and responsive to growth and development needs.
3.	Human and Community Development	Poverty and inequality in Amajuba is reduced.
4.	Strategic Infrastructure	Strategic infrastructure provides for the social and economic growth and development needs in Amajuba District.
5.	Environmental Sustainability	Reduced global greenhouse gas emissions and create social ecological capacity to climate change.
6.	Governance and Policy	The population of Amajuba is satisfied with the levels of government service delivery.
7.	Spatial Equity	Increased spatial access to goods and services in Amajuba

As per the KZN PDGP, the Amajuba DGDP's Strategic Goals and the 24 Strategic Objectives are aimed towards the attainment of the 2030 development vision. The goals and objectives of the Amajuba DGDP are relevant and applicable to the Newcastle Local Municipality. However, some do not fall within the ambit and functions of NLM. Nonetheless NLM fully commits itself to the execution and coordination of the Amajuba DGDP Strategic Goals and Objectives thereof, particularly those falling within its functions.

2.2.3. THE STATE OF THE PROVINCE ADDRESS (SOPA) – 2016

The speech by the Honourable Premier of KwaZulu-Natal, Mr. Senzo Mchunu was a reiteration of the objectives echoed in the State of the Nation Address by our President, Mr. Jacob Zuma. The current global financial crisis that has seen an economic downturn of South Africa, which is further propelled by the recent drought and high unemployment, was

mentioned as the primary issue impeding upon the development of the country. The budget cuts and implications thereof, as raised by the President, were also emphasised taking into cognisance that “indlala ibanga ulaka” within the Executive. The Premier stated that “in crafting the State of the Province Address, the public was invited to make suggestions through mainstream and social media as a way to afford the people of the KZN province an opportunity to voice their opinions on what should be done by government towards improving their lives.”

Mr. Senzo Mchunu further elaborated on the current financial crisis observing the international, national and the provincial slow economic growth trends. Global economic growth was estimated at 3.1% in 2015 with a projected growth of 3.4% in 2016 and 3.6% in 2017. The projections are based on a risk analysis of the attributing factors including a general slowdown in the emerging market economies, China’s economic slowdown, lower commodity prices, and the gradual exit from extraordinarily accommodative monetary policy (brakes in Quantitative Easing) in the United States. He further mentioned that most countries in sub-Saharan Africa will see a gradual pickup in growth, even though lower commodity prices will retard this growth.

According to observations made by the Finance Minister, Mr. Gordhan, the domestic economy is under severe pressure as a result of subdued global economic performance. In addition the IMF states that SA’s economic growth outlook for 2016 has reduced from 1.3% to 0.7%, the lowest forecast on record so far. This is largely due to a combination of fundamental factors such as high debt service costs, high costs of compensation of employees and a contracting tax base. As a result, this has impacted negatively on government revenue streams and the fiscal situation of the country that necessitates substantial budget cuts. Such measures are believed to have negative implications particularly with regards to the government’s ability to achieve growth targets which were based on an annual growth rate of 5%.

The KwaZulu-Natal Province is due for cuts totalling over R1 billion in the first year of the MTEF. The challenge raised with regards to the cuts relates to further complications to the current hardships faced by the economic departments in terms of budget constraints, which in reality require more funding towards job creation initiatives. As an initiative to ensure continued planning, the review of the Provincial Growth and Development Strategy has commenced, with the intention being to retain the 20 year planning horizon and the extension of the planning timelines to four five-year quarters spanning between the current

period and 2035. The revised strategy is informed by three critical documents for the KZN province and these are as follows:-

- ☛ The Revised KZN Situational Analysis;
- ☛ The 2015 Citizen Satisfaction Survey; and
- ☛ The PGDP Implementation Report.

Regarding the documents mentioned above, worth noting are some of the outcomes of the citizen satisfaction survey which indicate that 64% of the KZN population was satisfied with the level of service rendered to them by government as compared to the other 36% who were displeased. The survey also clearly pointed out what the public regarded as key priorities they want provincial government to attend to and at the top of the list is the need for increased employment opportunities, closely followed by a need for accelerated housing delivery, and then the need to address matters related to crime and corruption including social ills such as substance abuse and violence against women and children. The citizens of KZN indicated that they are happy with the level of health and education services. With regards to service delivery, there is also a high level of satisfaction related to access to piped water, sanitation, and electricity for cooking.

The Honourable Premier went on to elaborate on the additional achievements by government within the KZN province making mention of the increased employment by 6% based on the Quarterly Labour Force Survey. Progress has also been made in the roll out of the Eskom electrification programme in KwaZulu-Natal with 60 000 connections having been made in 2015. KZN infrastructure spending across the budget votes of the 14 KZN provincial departments has reached the R12 billion mark. Increased focus will be placed on the maintenance of infrastructure so as to ensure full value and optimal employment opportunities out of the capital investments. There's also been progress made on a range of slums clearance projects and the establishment of Agri-villages which are envisaged as means to provide better services to rural communities whilst protecting valuable agricultural land.

KwaZulu-Natal is determined to be "a prosperous province, with healthy, secure and skilled people, acting as a gateway to Africa and the World." Due to such, the Premier gave an overview of the vision and the high level focus areas of the KwaZulu-Natal Province for the next five years. This is to be achieved through the KZN PGDP and a commitment to the alignment with the Key National Priorities, the 14 National Outcomes and the 9 Point Plan. The following entails the KZN Province Priority Intervention Areas:-

- ☛ **PRIORITY INTERVENTION 1:** Revitalization of the agriculture and agro-processing value chain (APAP).
- ☛ **PRIORITY INTERVENTION 2:** More effective implementation of a higher impact Industrial Policy Action Plan.
- ☛ **PRIORITY INTERVENTION 3:** Advancing beneficiation (adding value to our mineral wealth).
- ☛ **PRIORITY INTERVENTION 4:** Unlock the potential of SMMEs, cooperatives, township and rural enterprises.
- ☛ **PRIORITY INTERVENTION 5:** Growing the oceans economy.
- ☛ **PRIORITY INTERVENTION 6:** Resolving the energy challenge.
- ☛ **PRIORITY INTERVENTION 7:** Managing work place conflict.
- ☛ **PRIORITY INTERVENTION 8:** Scaling up private sector participation.
- ☛ **PRIORITY INTERVENTION 9:** Cross-cutters related to ICT, Transport infrastructure, Science, and Technology and Water.

In addition to the identified priority intervention areas, the Premier mentioned some of the commitments essential towards improving the quality of the lives of the inhabitants of the KZN Province and these are as follows:-

- ☛ Development and protection of the human capital through education, training and the development of the required skills to meet growth and demand;
- ☛ Human resource development through strategic skills and development projects targeting graduates, TVET learners and unemployed youth;
- ☛ Human and community development;
- ☛ Good governance through improvement of the municipal audit outcomes;
- ☛ Development of strategic infrastructure; and
- ☛ Environmental sustainability.

In summary, the State of the Province Address clearly sets out the vision of government towards the development of the KZN Province, with focus being around addressing the identified priority intervention areas.

2.2.4. STATE OF THE TOWN ADDRESS (SOTA) - 2016

On the recent Mayoral Budget Speech and State of the Town Address, His Worship, the Mayor of Newcastle, Cllr. Afzul Rehman addressed Council on the final year of its term of office. The mayor made mention that, after 7 reports on the State of the Town Address, the 8th address may well be his last budget address to the house and, be that as it may, the plight towards a better Newcastle is far from being achieved. “We are not finished, roll up your sleeves, because we’re still on the job”...these are the words that were echoed by His Worship to the house towards pushing for progress on the work which he believes still needs to be done. This entails the improvement of basic service delivery and infrastructure, and the development of communities including the quality of the spatial realms in which they exist.

According to the Mayor, the focus of this year’s State of the Town Address is not what’s to be done next year, however the focus is on the next five years and beyond, the future of Newcastle. He went on to echo the vision of Newcastle which is “by 2030 Newcastle Municipality will be a sustainable, and economically vibrant city-region that affords its citizens a high quality of life.” Taking a brief recap from the year 2009, a lot has been done such as addressing poverty through regeneration of the townships, development of the rural areas, maintenance and rehabilitation of infrastructure in the CBD and other areas, facilitating housing development, and stimulating job opportunities. This was possible through a process towards reform and re-engineering of the budget in an effort to speed up change. The capital programme was refocused on infrastructure development, whilst cutting costs related to the operational budget.

Working smarter, harder and faster, Newcastle Municipality has had a whooping operational spend of approximately R6,7 billion and a capital infrastructure investment programme of more than R2 billion. Infrastructure investment has enabled Newcastle to become a permanent construction site and a model city in progress thriving towards improving its landscape. The Mayor reiterated on the budget cuts from the National Treasury and implications thereof on local government. These are basically efforts to lower the country’s expenditure ceiling to fall in line with lower revenue projections. Due to such, Newcastle Municipality has consolidated its operational budget to just over R1.7 billion and a capital budget of R238 million. Municipal departments were further requested to effect a 5% cut on operational expenses in order to create a higher cash flow surplus that will enable Newcastle Municipality to weather the storm in light of the current global financial crisis.

In terms of the budget, over the last 5 years R2 billion went towards the construction of new roads and bridges. R89 million in the new financial year will further go towards new roads

and sidewalks, with key catalytic projects being used to ease traffic flow and connect people to strategic parts of Newcastle. There'll also be continued efforts towards traffic calming devices throughout Newcastle, Madadeni, and Osizweni. We will continue to lead the way for other municipalities through the conversion of our streetlights into LEDs, thereby reducing electricity usage and providing brighter illumination for our streets in Newcastle, Osizweni, Madadeni and the complete township of Ingagane.

Newcastle Municipality is currently in the process of completing two new halls in the JBC and Charlestown areas, and these will be fully furnished and open for use to the public. The Mayor went on to elaborate on the budget allocations towards the programme including community services, land and housing, rural development, youth, job creation and poverty alleviation, and access to information through improved information technology

2.2.5. MILLENNIUM DEVELOPMENT GOALS

During the year 2000, 189 leaders of different nations committed themselves to rid the world from extreme poverty and many forms of deprivations that have been haunting all societies for years. However, South Africa has been a willing signatory of the Millennium Development Goals even before they were introduced through its alignment of a vision that was expressed and supported by millions of South Africans in the form of the 1955 Freedom Charter. The achievement of goals has always been an integral part as the building blocks towards addressing the challenges that are mainly due to the poor planning mechanisms of the apartheid government. Therefore, as part of the South African agenda for development, we aligned our path to the achievement the Millennium Development Goals which are as follows:-

1. To eradicate extreme poverty and hunger.
2. To promote universal primary education.
3. To promote gender equality and empower women.
4. To reduce child mortality.
5. To improve maternal health.
6. To combat HIV/AIDS, malaria and other diseases.
7. To ensure environmental sustainability.
8. To develop a global partnership for development.

In South Africa there still exists enormous pressures for the achievement of the MDG goals. Therefore efforts have been made in order to halve extreme poverty even though there still persists high inequalities. Efforts have also been made towards improving the levels of education within the country through the provision of access to an efficient and high quality education system that is results-driven. And thus South Africa managed to achieve the goal of universal primary education before the targeted date of 2015.

Since 1994, South Africa has been recognised internationally for its relatively good performance in terms of common measures on gender equality. However, gender based violence still remains of particular concern which means decisively dealing with this issues is of particular importance in order to achieve the goal pertaining to the equality and the empowerment of women. According to the Millennium Development Goals Country Report 2013, the target regarding the ratio of literate females to literate males was achieved at 1:1. Therefore the processes already in motion should be maintained as there is still a long way to go in order to achieve gender equality. Significant efforts have also been made to improve the health system in order to reduce child mortality and improve maternal health including the fight against HIV/AIDS. The level of childhood mortality is reflective of a country's health status in general and the health status of the children in the country. There has been improved immunisation for children under the age of 1 hence contributing to the decrease in the child mortality rate.

The creation of awareness campaigns towards the fight against the HIV/AIDS pandemic has also given some positive results. In 2012 South African had the largest population of people living with HIV/AIDS which was estimated at 5.6 million. However, the percentage of HIV prevalence among the population aged between 15 – 24 years has declining significantly over the years, from 10.3% in 2005 to 7.3% in 2012. This is a positive sign towards reaching the goal of combating HIV/AIDS despite the prevalence of some challenges. Fundamental to the nature of NLM is the development of sustainable human settlements and the conservation of the environment thereof. Through strict land use measures and the mainstreaming of development, the significance natural habitats is realised. South Africa accounts for 65% of the carbon emissions in Africa and thus the sustainability of the natural forests is of concern. Like most other countries, South Africa is also vulnerable and exposed to the impacts of climate change and variability due to the socio-economic and environmental context. Therefore, key mitigation programmes have been identified including the promotion of the use of clean energy resources. Such measures will also aid thus decrease the rate of Ozone depletion. Within NLM there has been improvement regarding the provision of access to water and also the provision of improved access to sanitation.

2.2.6. OPERATION SUKUMA SAKHE

The Special Programmes (SP) Unit aims to redress previous imbalances, create equal opportunities, and promote accessibility, transparency and accountability of target groups development programmes. It comprises of cross-cutting issues, of which a blind eye cannot be turned as far as service delivery is concerned. Both the political and administrative wings have a critical role to play in the effectiveness of this psychologically tuned mandate.

NOTE: The Unit: Special Programmes goes deeper than any other project/programme in that through behavioral change, and this change calls for the transformation in cognitive and social stimuli. It has been evident that development is not just about providing shelter, roads etc., but also about the psychological well-being of the community. Children, youth, senior citizen, and people living with disabilities, men and women must have a voice in governance.

The municipality is at the stage whereby it acknowledges that people are different yet the same. In no way can the municipality implement service delivery in isolation of the local democracy. Newcastle Municipality has launched the Provincial Sukuma Sakhe program at ward 9 as an attempt to declare war against poverty and social challenges facing the community of Newcastle. Operation Sukuma Sakhe Programme (formerly known as the Flagship Programme) seeks to institute food security, fight disease, in particular HIV, AIDS and TB, and poverty, to empower women and youth, and to instil behavioural change amongst the citizens of the province. The formulation of this 3rd Generation IDP has adopted the principles of Operation Sukuma Sakhe Program thereby establishing partnerships with the local community and getting involved into War Rooms.

Operation Sukuma Sakhe has a 'whole of Government approach' as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government, therefore delivery of services is required through partnership with community, stakeholders and government. Newcastle Municipality has ensured that all 310 ward committees together with ward councillors do participate in this program through formation of war rooms at ward level.

Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve the 14 National Outcomes. The program encourages the social mobilization where communities have a role, as well as delivery of government services in a more integrated way. The Government has structured programs which need to get as deep as to the level of the people they are serving. This is at ward level, translating to all 31 wards and all households within the Newcastle area of jurisdiction. The KwaZulu Natal

provincial government humbly accepts that it cannot achieve this alone, but needs community's hands in building this nation together.

The following provincial departments have been prominent in spearheading the Operation Sukuma Sakhe program in Newcastle Municipality. These include:-

- ☛ Department of Health;
- ☛ Department of Education;
- ☛ Department of Sports and Recreation;
- ☛ Department of Social Development;
- ☛ Office of Premier; and
- ☛ Co-Operative Governance and Traditional Affairs through Community Development Workers (CDWs).

Table 1: Some key highlights that took place during 2014/15.

FORUM	PROGRAMME	HIGHLIGHT
Disability Forum	Education and Skills Development	<ul style="list-style-type: none"> ➤ Training and handover of reading aides for visually impaired people. ➤ Computer and Administration Skills programme for disabled people. ➤ The placement of disabled people in various institutions for experiential learning.
	Sports and Recreation	<ul style="list-style-type: none"> ➤ Disability Sports Day ➤ The high participation of disabled people in sports ➤ The inclusion on mental health in disability programmes
	Health and Social Wellbeing	<ul style="list-style-type: none"> ➤ Door to Door Campaign at KwaMathukuza ➤ Assistance rendered to the community in educating about rights of disabled people
	Economic Participation	<ul style="list-style-type: none"> ➤ The construction and handover of a Centre for disabled people in Osizweni
PLWHIV Forum	Health and Social Wellbeing	<ul style="list-style-type: none"> ➤ Participation on Newcastle Forum at the Provincial Candle light Ceremony. ➤ High turn out of people during HCT campaigns, especially amongst populations at risk
	Education and Skills Development	<ul style="list-style-type: none"> ➤ Ward Aid Committee and PLWHIV training programme ➤ The workshop attempted to up skill community agents in attending to community issues and escalating them to relevant sector departments. ➤ The workshop also played an important role helping the different community stakeholders to consolidate their efforts in terms of sharing programmes and information.
Children's Forum	Safety and Security	<ul style="list-style-type: none"> ➤ School violence became a huge area of concern last year ➤ This violence resulted in not only deaths but, the displacement of perpetrators and psychological scarring of fellow learners and the community at large ➤ The cause can be attributed to various factors such as bullying, substance abuse, negligence and lack of parental control ➤ Community Awareness Programmes in War-rooms, community meetings, schools, churches and the media helped in shifting the focus back to the psychosocial needs of children

FORUM	PROGRAMME	HIGHLIGHT
OSS		➤ The top war room at KZN, ward 24, came from Amajuba District in our Local Municipality
		➤ Amajuba District is one of the leaders in the monthly submissions to the Office of the Premier
		➤ Amajuba District is also leading in the launching of the Fora
		➤ Mpumalanga benchmarked in our District in seeing how the War room works by visiting ward 1 at Charlestown
Gender: Men		➤ Men's month celebration at Madadeni Community Hall where the hall was full to its capacity and also attended by the District Mayor
		➤ EPWP Programme that is employing the widows
		➤ Gender Based Violence march at Newcastle CBD that took the attention of many people
		➤ Poverty alleviation Programmes for the For a members organized by Special Programmes together with LED
Gender: Women		➤ Women's Day Celebration that is including women from other departments
		➤ Poverty alleviation Programmes for the For a members organized by Special Programmes together with LED
		➤ Honouring of women working in Dangerous zones
SENIOR CITIZENS	Golden games.	➤ Promotion of healthy living.
	Senior citizens heritage day.	
	Meeting with the senior living in Madadeni hosted by Asisindeisizwe.	
	Year-end function	
		➤ Commemorating heritage day as senior citizens.
		➤ Tackling issues that senior citizens are faced with and also the promotion of healthy living.
		➤ Showing appreciating of working well together throughout the year and promoting healthy living.

2.2.7. BACK TO BASICS

Local government is the sphere of government which is closest to the people. It is also the gateway to service delivery and the platform where most citizens get to interface and interact with government. The vision of a developmental local government system was that it would be the building block on which the reconstruction and development of the country and society was to be built. It was also a place in which the citizens of South Africa could engage in a meaningful and direct way with the institutions of the state. A number of issues related to governance within the local sphere have emanated over the years hence necessitating efforts that support, educate and where needed, enforce implementation. In light of the issues related to the local sphere of government, the transformation of the government sectors thereof remains a priority.

According to the National Development Plan, achieving South Africa's transformation agenda requires functional municipalities and a capable machinery at a local level that can create safe and healthy economically-sustainable areas where citizens and people can work, live and socialize. Therefore, it is vital to understand where South Africa is, where the country could be and what needs to be done in order to achieve the developmental vision of the country. The goal of Government is to improve the functioning of municipalities in order to effectively render meaningful basic services to communities by getting the basics right. Since the

decentralized system of local government was put in place in 1995, as enshrined in the country's Constitution (i.e. as a 'distinctive, interdependent and interrelated' sphere of government), much has been achieved towards building local government.

National Government has provided support to the system of local government through the development of world-class local government legislation and policy, supported by a transparent system of intergovernmental grants that enable municipalities to perform their roles. Furthermore, a wall to wall system of municipalities has been developed for the sole purpose of integrating communities that were previously divided by the apartheid regime. The Local Government White Paper put forward a vision of local government as a key component of the developmental state, and in pursuit of that vision, services have been progressively extended to more citizens than ever before.

His Excellency, President Jacob Zuma, in his State of the Nation Address delivered on the 17th of June 2014, articulated Government's concerns regarding improvements needed at local government level. As part of Government's plan of action to revitalize local government, President Jacob Zuma stated that *"South African municipalities are built on a firm foundation, built over the last 20 years of democracy. We have evaluated all our municipalities. We have inspected their financial management, how they work within legislative processes as well as their ability to roll out projects and to address capacity constraints. We have also looked at how they respond to service delivery protests. There have been many successes in many municipalities. However, we face a number of challenges."*

Therefore, against the backdrop of the statement by His Excellency - President Jacob Zuma, the Ministry of Cooperative Governance and Traditional Affairs is pursuing the Back to Basics Approach in order to address the challenges that are faced by local government, and also to strengthen municipalities and instill a sense of urgency towards improving the lives of citizens. The Back to Basics Approach is premised on the recent review of all the 278 municipalities within South Africa, which established three groups of municipalities namely the Top Group, the Middle Group, and the Lower Group. In terms of the Back to Basics Approach, clear benchmarks are set and these are directed towards increasing performance in Government's efforts to ensure that all municipalities perform these basic functions without compromise.

Furthermore, the Back to Basics Approach is of significance because it also supports a transformation agenda which is premised on the need to ensure functional municipalities as outlined by the Minister of Cooperative Governance and Traditional Affairs in his 2014 Budget Vote. The approach is informed by the Constitution, legislation and programmes that are intended at streamlining a new agenda aimed at changing Government's approach and

strategic orientation especially at a local level towards serving the people whilst ensuring service delivery.

As part of Government's efforts to recognize and adequately reward good performance and ensure sufficient consequences for under-performance, the Department of Cooperative Governance (DCoG) has developed a set of indicators to be reported on a monthly basis as per the pillars of the Back to Basics Approach. These indicators will functions thus to measure whether Newcastle Municipality is performing in terms of the basics and these are as follows:-

- ☛ Putting people first;
- ☛ Delivering basic services;
- ☛ Good governance;
- ☛ Sound financial management; and
- ☛ Building capable local government institutions.

Following the first Back to Basics reporting template sent in terms of the Department of Cooperative Governance Circular No. 47 of 2014, Newcastle Municipality's reporting template is attached as **ANNEXURE A**. According to the circular, Newcastle Municipality is obliged to furnish the Minister of COGTA with information on a monthly basis in order to assist in the analysis of the state of local governance within South Africa, and also to afford COGTA the opportunity to make an informed assessment to support and intervene where needed.

Table 2: Newcastle Municipality's strategic alignment with the Back to Basics Key Focus Areas.

Back to Basics Focus Area	NLM Strategic Objective	NLM Strategy	NLM Key Performance Indicator	Responsibility
Service Delivery and Infrastructure	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality's Jurisdictional Area.	To ensure that the water and sanitation service is rendered in an efficient and affordable manner.	Number of households with access to drinkable water.	SED: Technical Services
			Number of households with access to sanitation.	
		To promote water conservation and environmental awareness.	Annual review of the WSDP.	
			Number of awareness campaigns to promote water conservation and environmental awareness.	

Back to Basics Focus Area	NLM Strategic Objective	NLM Strategy	NLM Key Performance Indicator	Responsibility
			Reduction of losses by 2% per annum for NRW.	
			Approved business plans for rural and urban areas.	
	To ensure provision and maintenance of safe roads and effective storm-water infrastructure.	To develop and implement the Roads and Storm-Water Infrastructure Plan	Square meters of sidewalks paved.	
			Kilometres of roads released.	
	To ensure access to electricity and other forms of energy where applicable.	To provide electricity within the Newcastle Municipality Licensed Areas.	Number of solar geysers installed.	
			Number of households with access to electricity.	
		To improve the electricity network in the Newcastle Licensed Areas.	Implementation of Maintenance Plan.	
	To provide and ensure a safe and healthy environment.	To keep Newcastle Municipality Area clean.	Implementation of Communication Plan.	
		Implementation of the Waste Management Strategy in line with relevant legislation.	% of backlogs addressed.	
			Number of registered landfill/waste disposal sites.	
Good Governance and Public Participation.	To ensure good governance through openness and, transparency and accountability in the organisation.	To strengthen executive support services.	Reviewed and adopted IDP	Office of the MM
			Compliance with record keeping checklist.	
			Number of MANCO meetings convened.	
		To develop and implement an effective Performance Management System.	Annual review of PMS Policy.	
			Annual Performance Report submitted to the Auditor General.	
			Quarterly performance reports submitted to Internal Audit within 25 days of end of quarter.	
		To maintain and implement an effective Risk Management System.	Quarterly reports on implementation of management action plan.	
			Number of anti-fraud and	

Back to Basics Focus Area	NLM Strategic Objective	NLM Strategy	NLM Key Performance Indicator	Responsibility
		To provide an effective legal support system.	corruption facilitated.	
			Quarterly reports on implementation of AG Action Plan to Audit Committee.	
			Develop and maintain applicable legislation database.	
	To keep communities and stakeholders informed and involved in the affairs of the Municipality.	To improve both internal and external communication.	Annual review of Public Participation Policy.	
			Number of training interventions of Ward Committees.	
			Annual Mayoral IDP/Budget/PMS Roadshows.	
Financial Viability and Management.	To ensure sound financial and fiscal management and good governance.	To ensure compliance with financial reporting in terms of relevant legislation.	Compliance with MFMA reporting obligations as per MFMA calendar.	SED: Budget and Treasury Office
		To ensure compliance with budget planning and implementation	Approved adjustment budget and approved final budget.	
Institutional Development/ Capacity.	To ensure the optimal institutional structure to render effective and efficient services aligned to the IDP.	To provide efficient and effective general administrative support services.	Average turnaround time for filling of vacancies.	SED: Cooperate Services
		Implementation and review of the organogram with adequate capacity.	% of critical posts filled as identified and approved by Municipal Manager (as budgeted).	
			Compliance with submission of employment equity Report.	
			Number of people from employment equity target groups.	
	To ensure productive and competent human capital.	To facilitate human resource development.	Successful submission of the WSP to LGSETA.	
			Number of policies developed and reviewed.	

2.2.8. HIERARCHY OF PLANS

Table 3: NDP & MTSF, PGDP, DGDP and NLM IDP Alignment.

5 Key National Priorities	MTSF 14 NATIONAL OUTCOMES	KZN PGDP 7 Strategic Goals	ADM DGDP 7 Strategic Goals	NLM IDP Strategic Objectives.
Creation of decent work and sustainable livelihoods for inclusive growth	Outcome 4: Decent employment through inclusive economic growth	Goal 1: Job Creation	Goal 1: Expanded Provincial economic output	To facilitate economic development that will result in sustainable job creation.
	Outcome 5: A skilled and capable workforce to support and inclusive growth path	Goal 2: Human Resource Development	Goal 2: The human resource capacity of the province is adequate, relevant	To ensure the optimal institutional structure to render effective and efficient services aligned to the IDP.
				To ensure productive and competent human capital.
	Outcome 6: An efficient, competitive and responsive infrastructure network	Goal 4: Strategic Infrastructure	Goal 4: Strategic infrastructure that provides for the social and economic growth and development needs of Amajuba District.	To ensure efficient administrative support services.
				To ensure the provision of appropriate sanitation and potable water to all households in Newcastle.
				To ensure the provision and maintenance of safe roads and effective storm-water infrastructure.
				To ensure access to electricity and other forms of energy where possible.
Rural development, land reform and food security for inclusive growth	Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all	Goal 1: Job Creation	Goal 1: Expanded Provincial economic output	To provide and ensure a healthy and safe environment.
				To facilitate economic development that will result in sustainable job creation.
	Outcome 8: Sustainable human settlements and an improved quality of household life	Goal 3: Human and Community Development	Goal 3: Poverty and inequality in Amajuba is reduced	To respond to the needs of vulnerable groups. Youth Development and Women Empowerment.

				<p>To facilitate the provision of houses in line with the national and provincial norms and standards.</p> <p>To improve access to basic services.</p> <p>to create Human Settlements that are economically viable, aesthetically pleasant, habitable and vibrant.</p> <p>To ensure efficient management of community facilities.</p>
	Outcome 10: Environmental assets and natural resources that are well protected and enhanced	Goal 5: Environmental Sustainability	Goal 5: Reduced global greenhouse gas emissions and create social-ecological capacity to adapt to climate change	To promote sustainable development and environmental awareness.
Education	Outcome 1: An improved quality of basic education	Goal 2: Human Resource Development	Goal 2: The human resource capacity of the province is adequate, relevant	<p>To ensure productive and competent human capital.</p> <p>To ensure efficient administrative support services.</p>
Health	Outcome 2: A long and healthy life for all South Africans	Goal 3: Human and Community Development	Goal 3: Poverty and inequality in Amajuba is reduced	<p>To respond to the needs of vulnerable groups.</p> <p>To manage the effect of HIV/AIDS within the jurisdiction of Newcastle Municipality.</p>
Fighting crime and corruption	Outcome 3: All people in South Africa are and feel safe	Goal 3: Human and Community Development	Goal 3: Poverty and inequality in Amajuba is reduced	<p>To facilitate economic development that will result in sustainable job creation.</p> <p>To respond to the needs of vulnerable groups.</p>
	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	Goal 6: Governance and Policy	Goal 6: The population of Amajuba is satisfied with the level of government service delivery	To ensure good governance through openness, transparency and accountability in the organization.
	Outcome 11: A better Africa and a better world as a result of South Africa's contributions to global relations	Goal 6: Governance and Policy	Goal 6: The population of Amajuba is satisfied with the level of government service delivery	To keep the communities and stakeholders informed and involved in all municipal affairs.

	Outcome 12: An efficient and development-orientated public service and an empowered, fair and inclusive citizenship	Goal 6: Governance and Policy	Goal 6: The population of Amajuba is satisfied with the level of government service delivery	To ensure an effect internal audit function.
	Outcome 13: An inclusive and responsive social protection system	Goal 3: Human and Community Development	Goal 3: Poverty and inequality in Amajuba is reduced	To facilitate economic development that will result in sustainable job creation.
		Goal 6: Governance and Policy	Goal 6: The population of Amajuba is satisfied with the level of government service delivery	To ensure good governance through openness, transparency and accountability in the organization.
	Outcome 14: Transforming society and uniting the country	Goal 7: Spatial Equity	Goal 7: Increased spatial access to goods and services in Amajuba	To promote special restructuring and integration.



SECTION 3: CURRENT SITUATION ANALYSIS

3. STATUS QUO ANALYSIS

Future development within NLM should respond directly to the development trends, patterns, needs and aspirations of those who live and/or work within the area. It must be relevant to the local context while also contributing to the attainment of the provincial and national development imperatives. This section provides a detailed analysis of the current development situation within NLM. It is structured substantially in accordance with the Key Performance Areas (KPA), but also considers issues that are pertinent to Newcastle Municipality. The national KPA's are as follows:-

- ☛ Social and economic development.
- ☛ Infrastructure development (service delivery).
- ☛ Institutional development and corporate governance.
- ☛ Financial management.
- ☛ Democracy and good governance.
- ☛ Spatial planning and Environment.

3.1. DEMOGRAPHIC PROFILE

3.1.1. POPULATION SIZE AND GROWTH PATTERNS

The official government figures reflected in the 2011 census data estimates the total population of the NLM to 363 236 people. This marks a net population increase of 0.87% per annum between 2001 and 2011. It is noted that between 1996 and 2001, population increased by 2.93% per annum.

Table 4: Population Growth and Density.

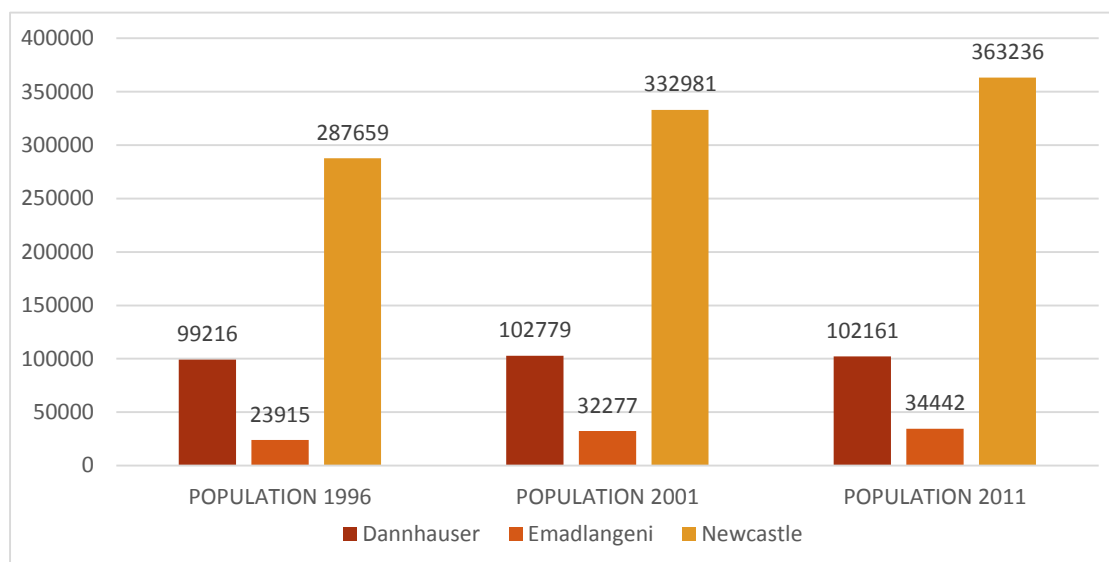
District	Population Size	% Share of KZN Population	% Share of Amajuba Population	Area in Square km	Population Density (ppl/km ²)
KwaZulu-Natal	10 267 299			93 378	110.8
Amajuba	499 839	4.9		6 921	72.9
Newcastle	363 236	3.5	72.7	1 689	197.7
Emadlangeni	34 440	0.3	6.9	3 714	18.3
Dannhauser	102 162	1.0	20.4	1 518	67.5

Source: Stats SA, 2011 Census Data.

This trend is characteristic of the whole district with municipalities such as Dannhauser recording a negative growth rate between 2001 and 2011. Population growth rate in

Newcastle is above district average of 0.66% making Newcastle the fastest growing municipality in the district in terms of population. Newcastle accounts for 73% of the district population, 20% and 7% for Dannhauser and Emadlangeni Municipality respectively.

Figure 4: Population Growth in Amajuba District.



Source: Stats SA, 2011 Census Data.

As indicated in Figure 2 and 3 above, population growth rate in Newcastle is in an upward trajectory with the majority of the growth occurring mainly in the Eastern areas – around the Madadeni and Osizweni Townships. These are largely underdeveloped areas occupied mainly by low income and poor communities. The current population movement patterns in the region suggest that the urbanization phenomenon continues with factors such as natural growth rate, breakdown in extended families and in-migration being the main drivers of growth. In-migration arises mainly from perceived urban opportunities and prospects for a better life, poor access to services and lack of employment opportunities in the rural hinterland and general decline in employment opportunities in the agricultural sector. Over the last ten years, Newcastle's agricultural region has registered a net decline in both production and employment opportunities.

3.1.2. HOUSEHOLD SIZE

Similarly, Newcastle accounts for the majority (84 270) households found within Amajuba District. This is consistent with the population distribution which suggests that the majority of the population within the district resides in Newcastle Municipality. Average household size is 4.3 people which suggest a slight decline in average household size from the one recorded in the year 2001.

Table 5: Number of households within Newcastle.

DISTRIBUTION OF HOUSEHOLDS BY MUNICIPALITIES	NUMBER OF HOUSEHOLDS		AVERAGE HOUSEHOLD SIZE		FEMALE HEADED HOUSEHOLDS %	
	2001	2011	2001	2011	2001	2011
Newcastle	71 164	84 270	4.6	4.3	45.1	47.5
Emadlangeni	6 187	6 252	4.8	5.5	32.2	38.8
Dannhauser	19 320	20 439	5.3	5.0	48.6	50.7
Amajuba	96 670	110 963	4.8	4.5	44.9	47.6

Source: Stats SA, 2011 Census Data.

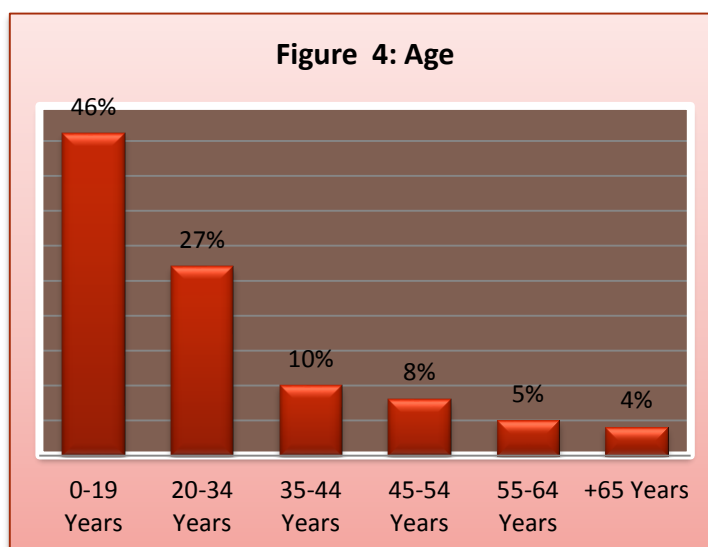
The number of households headed by women has increased from 45.1% in 2001 to 47.5% in 2011 in line with the district average of 47.6%. This read together with the relative decline in population growth rate suggests an increasing level of circular migration coupled with an increasing breakdown in extended and compounded households.

3.1.3. AGE STRUCTURE

Newcastle's population is relatively young with 46% of the population being younger than 19 years of age, while the age group between 20 and 34 years accounting for 27% of the population. Collectively the youth in Newcastle (0 – 34 years) makes up 71% of the total population, and this places immense pressure on the provision of educational facilities, social welfare, health services and the stimulation of the economy to

provide job opportunities and economic development. The immigration of the youth and economically active population implies an increasing need for both recreational and educational facilities and places more pressure on the need for employment opportunities.

Figure 5: Population Distribution by Age.

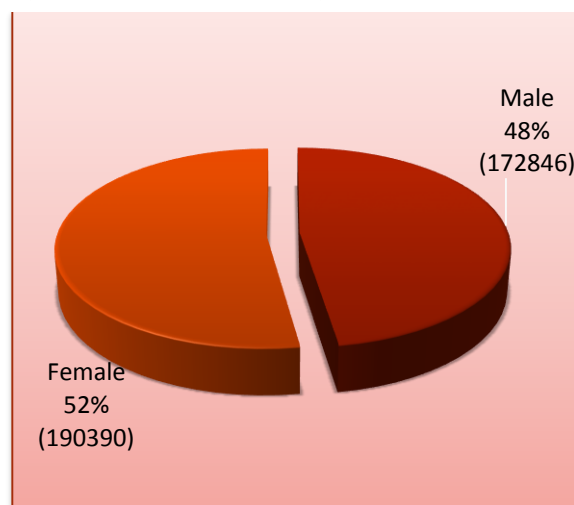


Source: Stats SA, 2011 Census Data.

3.1.4. GENDER

Regarding gender distribution within the Newcastle Municipal area, 52% of the total population is female while males account for the remaining 48%. This gender distribution conforms to the National norm. Thus the need for programmes specifically targeted towards gender equity are of critical importance. In response to this, the Newcastle Municipality has prioritized gender issues as part of its Special Programmes. Specific projects and programmes aligned to the National Program should be developed and rolled out in line with the municipal program of action.

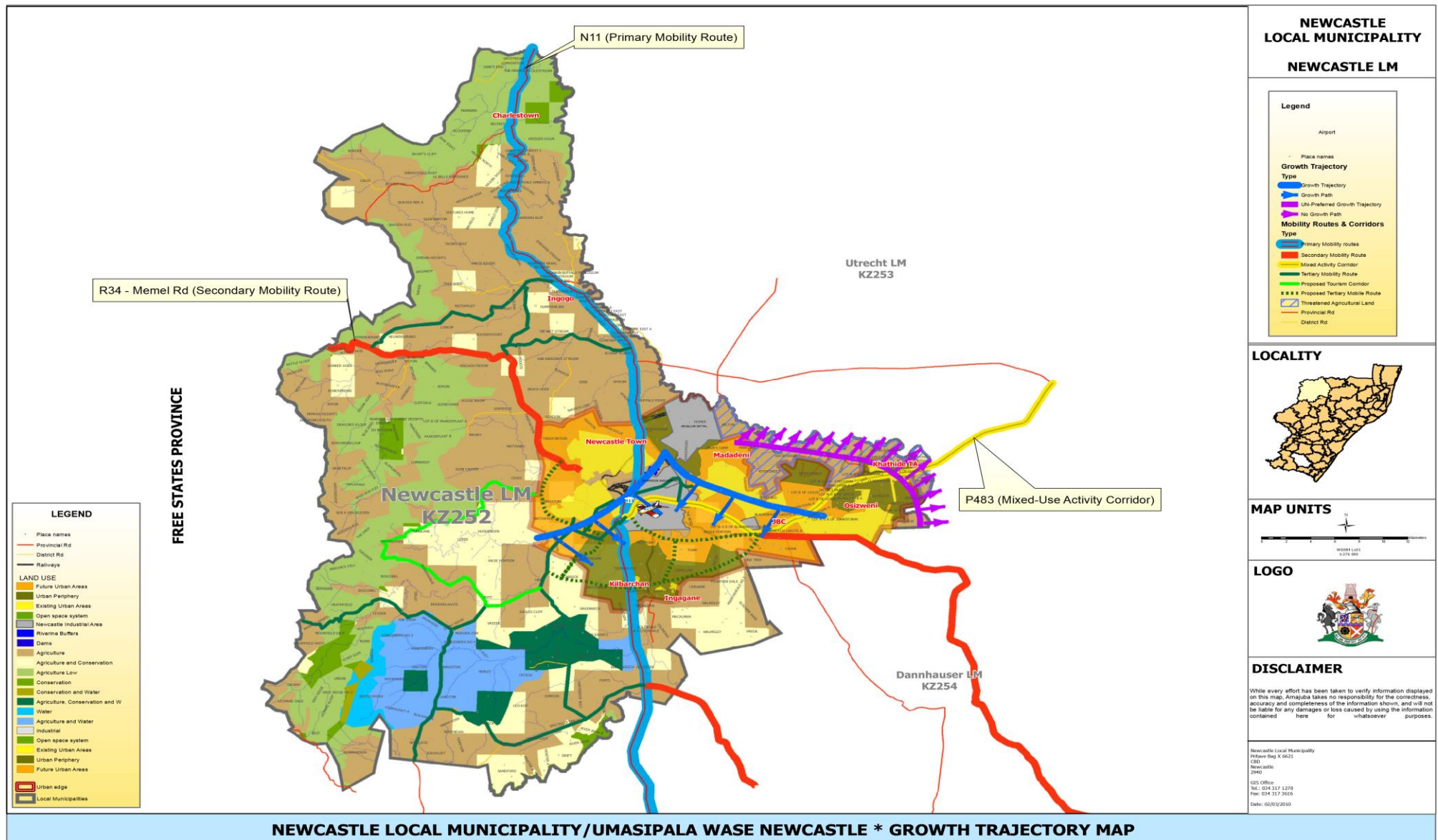
Figure 6: Population Distribution by Gender.



Source: Stats SA, 2011 Census Data.

3.1.5. HIV AND AIDS

The HIV and AIDS pandemic has had a profound impact on both the quality of life of communities and families and on the economy. A number of initiatives have been implemented through the National Department of Health to combat the current epidemic, however major challenges still remain. Within Newcastle, the number of HIV positive persons has increased at an average annual growth rate of 2.9% during the period 2000 - 2010, bringing the percentage of the population with HIV to almost 17% of the total population. The number of AIDS related deaths has increased at an average annual growth rate of 8.7% during the period 2000 – 2010, with AIDS deaths accounting for about 62% of total deaths in the municipality. This highlights the severity of the current situation and the need for interventions that target and attempt to address these HIV/AIDS challenges.



Map 1: Newcastle Municipality Growth Trajectory Map (Source: NLM Final SDF 2014/15).

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The above Growth Trajectory Map also depicts the desired population movement trends within Newcastle. This also entails the desired spatial responses to urbanization which envisions population movement from the Newcastle West and Newcastle East areas towards the Southern boundary of Newcastle, just before Kilbarchan. This is based on the proximity of this area to economic opportunities in the form of the surrounding Industrial Area and the Newcastle CBD. This places pressure on Council to provide a variety of housing typologies such as social housing, CRUs, and rental housing stock around the Newcastle CBD. With the general population close to places of employment opportunity, it will decrease reliance on public transportation hence introducing new modes of mobility such as walking and cycling that will ultimately result in a decrease in the levels of greenhouse gas emissions.

3.2. SOCIO-ECONOMIC PROFILE

3.2.1. EDUCATION PROFILE

Since from the year 2001, significant progress has been made with regards to the education profile of Newcastle. In terms of the total number of people who did not have any formal education, it has declined drastically from 11.33% (37 738) in 2001 to 4.75% (17 270) in 2011. In terms of gender, the situation remains unchanged. In 2001 the highest concentration of illiteracy within Newcastle was amongst the female population at 54.58% (20 598) as compared to the male population at 45.42% (17 140). In the year 2011 the highest concentration of illiteracy is amongst the female population at 59.21% (10 149) as compared to the male population at 40.49% (7 121). This implies that illiteracy levels are increasing amongst the female population whilst they decrease amongst the male population. The illiteracy gap in terms of gender remains at 3028 females more than the males.

In terms of the number of people with access to primary education as the highest level of education (Grade 0 – Grade 9), there has been a decreased since 2001. In 2001 the number of people who had access to primary education as the highest level of education constituted 52.08% (173 404) of the total population. This decreased in the year 2011 to 40.11% (145 730). In terms of the people with secondary education (Grade 10 – Grade 12) as the highest level of education, Newcastle has shown some progress. In the year 2001 the number of people with secondary education as the highest level of education constituted 27.99% (93 229) of the total population. This increased in the year 2011 to 35.66% (129 522).

There has been a drastic increase in the number of people with access to tertiary education as the highest level of education from the period 2001 to 2011. In 2001 the number of people

who had access to tertiary education as the highest level of education constituted 1.81% (6 040) of the total population whereas in 2011 they constitute 3.35% (12 177) of the total population. In basic terms, the amount has double from what it was in the year 2001. In terms of the number of people with access to higher post graduate education as the highest level of education, we have also seen an increase. In 2001 the number of people with access to higher post graduate education as the highest level of education constituted 3.15% (10 497) of the total population whereas in 2011 this increased to 4.05% thus marking a 0.9% increase at a growth rate of 0.09% increase annually. However, it is envisaged that the figure pertaining to the number of people with access to higher education as the highest level of education could rise drastically if some tertiary institutions were introduced within the confines of the Newcastle Municipality. This would also aid in the provision of employment opportunities and help in retaining highly qualified labour within Newcastle.

Table 6: The rate of literacy within Newcastle.

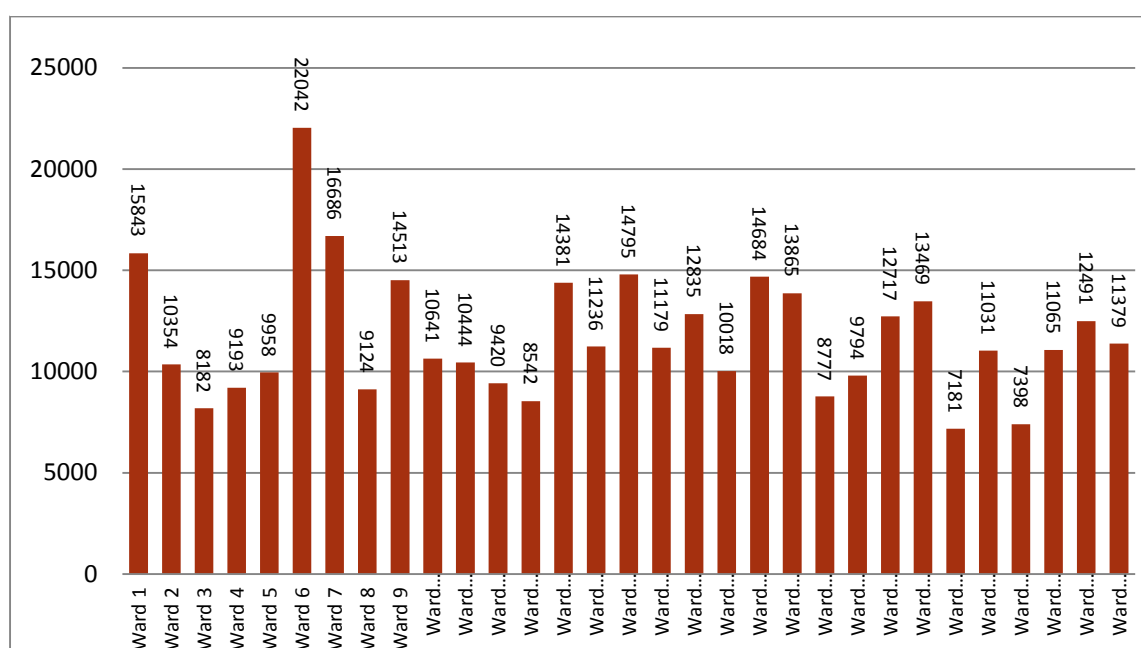
	2001			2011		
	Male	Female	Grand Total	Male	Female	Grand Total
Grade 0	-	-	-	6 736	6 418	13 154
Grade 1 / Sub A	7 664	7 192	14 856	5 942	5 937	11 878
Grade 2 / Sub B	5 424	5 419	10 843	5 715	6 284	11 999
Grade 3 / Std 1/ABET 1Kha Ri Gude;SANLI	6 939	7 300	14 239	5 553	6 121	11 674
Grade 4 / Std 2	7 683	8 262	15 945	6 486	6 912	13 397
Grade 5 / Std 3/ABET 2	7 355	7 865	15 221	6 061	6 679	12 740
Grade 6 / Std 4	7 307	8 424	15 731	6 279	6 708	12 987
Grade 7 / Std 5/ ABET 3	9 387	11 009	20 396	7 606	8 577	16 183
Grade 8 / Std 6 / Form 1	10 829	12 345	23 174	10 597	11 851	22 448
Grade 9 / Std 7 / Form 2/ ABET 4	9 003	10 603	19 603	9 117	10 153	19 270
Grade 10 / Std 8 / Form 3	12 247	14 761	27 009	13 355	15 138	28 493
Grade 11 / Std 9 / Form 4	9 001	10 819	19 820	12 996	15 241	28 237
Grade 12 / Std 10 / Form 5	21 924	24 476	46 400	34 279	38 513	72 792
NTC I / N1/ NIC/ V Level 2	-	-	-	515	495	1 011
NTC II / N2/ NIC/ V Level 3	-	-	-	575	390	965
NTC III /N3/ NIC/ V Level 4	-	-	-	709	417	1 126
N4 / NTC 4	-	-	-	732	491	1 223
N5 / NTC 5	-	-	-	469	337	806
N6 / NTC 6	-	-	-	576	360	936
Certificate with less than Grade 12 / Std 10	500	482	981	237	262	499
Diploma with less than Grade 12 / Std 10	242	328	570	185	288	473
Certificate with Grade 12 / Std 10	2 298	2 191	4 489	2 312	2 826	5 138
Diploma with Grade 12 / Std 10	2 753	4 472	7 225	2 158	2 966	5 124
Higher Diploma	-	-	-	1 515	2 192	3 707
Post Higher Diploma Masters; Doctoral Diploma	-	-	-	301	329	630
Bachelors Degree	862	917	1 779	1 041	1 349	2 390
Bachelors Degree and Post graduate Diploma	398	408	806	397	424	822
Honours degree	204	200	404	421	601	1 022
Higher Degree Masters / PhD	187	96	283	298	209	508
Other	-	-	-	267	256	523
No schooling	17 140	20 598	37 738	7 121	10 149	17 270
Unspecified	-	-	-	-	-	-
Not applicable	17 786	17 681	35 467	22 298	21 514	43 812
Grand Total:	157 134	175 847	332 982	172 846	190 390	363 236

Source: Stats SA, 2011 Census Data.

3.2.2. POPULATION DISTRIBUTION BY WARD

The population is spread unevenly amongst thirty one (31) municipal wards, with ward 6 being the most populated ward followed by ward 7 and ward 1. The main settlement areas that are found in ward 6 include Jobstown, the New Dicks Halt area, and the Masondeza area. Ward 7 comprises of the Manzana area, Inverness and parts of the Madadeni Township. Ward 1 is rural in nature with settlements such as Kilbarchan, Ingagane, Clavis and farmlands with different rural settlements.

Figure 7: Population distribution by ward.



Source: Stats SA, 2011 Census Data.

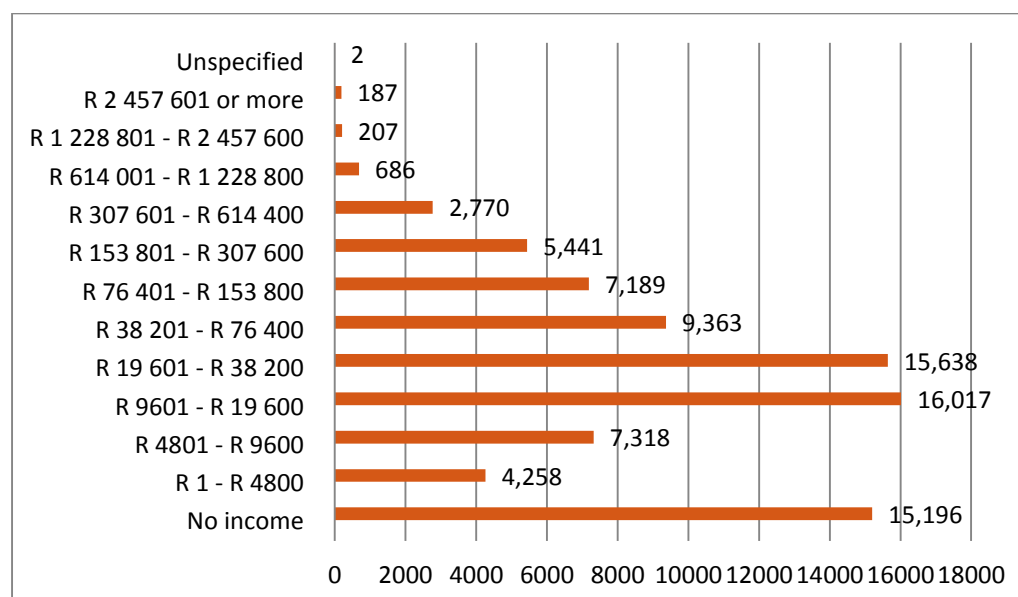
The recent ward delimitation process which was conducted by the Municipal Demarcation Board in line with the requirements of the Local Government: Municipal Structures Act (Act No. 117 of 1998), saw an increase in the number of wards within Newcastle with an additional 3 wards, namely ward 32, ward 33, and ward 34. The location of the new wards is within the following areas, however not covering the whole, rather only parts of the area, in spatial terms:-

- Ward 32: Osizweni A, Osizweni E, Osizweni F;
- Ward 33: Manzana.
- Ward 34: Newcastle Central, Newcastle CBD, Riverside Industrial, Newcastle Industrial, KwaMathukuza.

The increase in the number of wards necessitates an increase in the number of Councillors to a number which is to be determined by the MEC. The increase also necessitates an increase in the number of Ward Committees from the current 310 to 340. An increase in the number of Councillors and Ward Committees necessitates an increase in the allocation of funds towards remuneration. Ward delimitation does not affect the population of Newcastle, however it will affect the population within the affected wards in that it has either increased or decreased head counts within certain wards. Furthermore, the ward delimitation process has also affected the size of the wards in spatial terms, either expansion or contraction.

The increase in the number of wards within Newcastle Municipality is a sign of positive growth towards a city status. The challenges encountered during the process are merely issues around the projected power struggles for political administration from a public perspective. From a municipal perspective, the ward delimitation process will not affect the delivery of municipal services within the different wards (business as usual). However, the process will play a significant role in terms of deepening local democracy and also improve local governance.

Figure 8: Annual Household Income.



Source: Stats SA, 2011 Census Data.

Newcastle Municipality has a generally low income population with a large number of people living in abject income poverty as they do not have a reliable source of income. The majority of the income earners are those who earn between R9 601 – R19 600 per annum (16 017 people) closely followed by those who earn between R19 601 – 38 200 per annum (15 638 people). Dependence on grant funding such as social welfare grants and pensions is also relatively high. As indicated in figure 6 above, the level of representation drops sharply as

income brackets increases. As a result, the levels of affordability are generally low while dependency on social grants is high. 22 000 people applied to be registered on the indigent list for the municipality in 2010 and, as of July 2014 the figure had dropped drastically to 18 415, marking a 16.3% decrease. However, based on figures from the 'Summary of Registered Indigent Account Holders' (July 2014 – June 2015), as of January 2015, there has been a slight increase in the list to 18 973, marking an increase by 13.3%. The wards with the highest concentration of indigents are represented on the table below:-

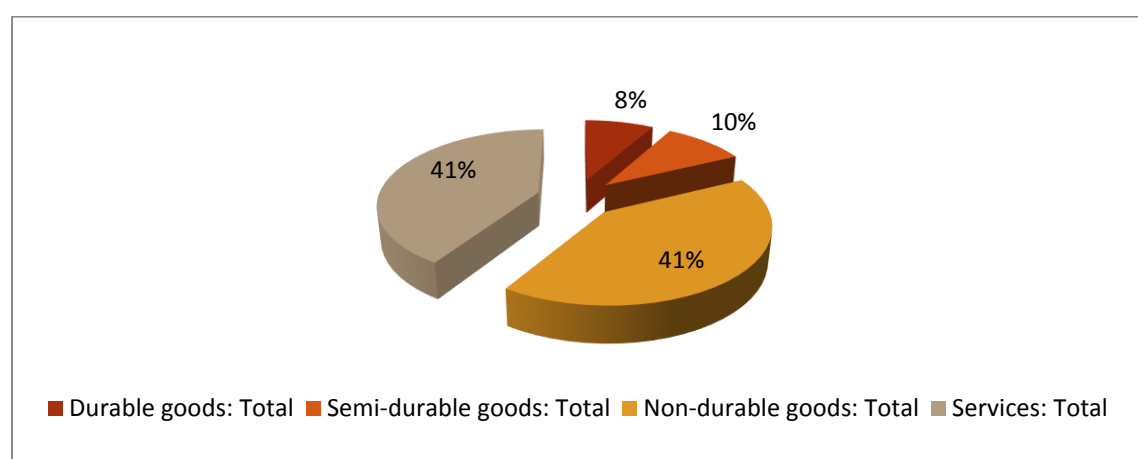
Table 7: Number of indigents by ward.

WARD	NO. OF INDIGENTS
WARD 20	1 501
WARD 14	1 286
WARD 9	1 270
WARD 10	1 239
WARD 17	1 119
WARD 11	1 047
WARD 24	1 023
TOTAL:	8 485

3.2.3. HOUSEHOLD EXPENDITURE.

The total household income in 2010 was approximately R7.8 billion in Newcastle, of which 69.2% is remuneration (R5.4 billion) and 30.8% is unearned income (R2.4 billion). Of the total household income, 93.7% is household expenditure (7.3 billion), which consists of the purchase of goods and services. Savings were negative in 2010 suggesting that an additional R250 million worth of credit is being utilised in addition to total expenditure. The graph below displays the breakdown of expenditure into the major purchase categories.

Figure 9: Household Expenditure.

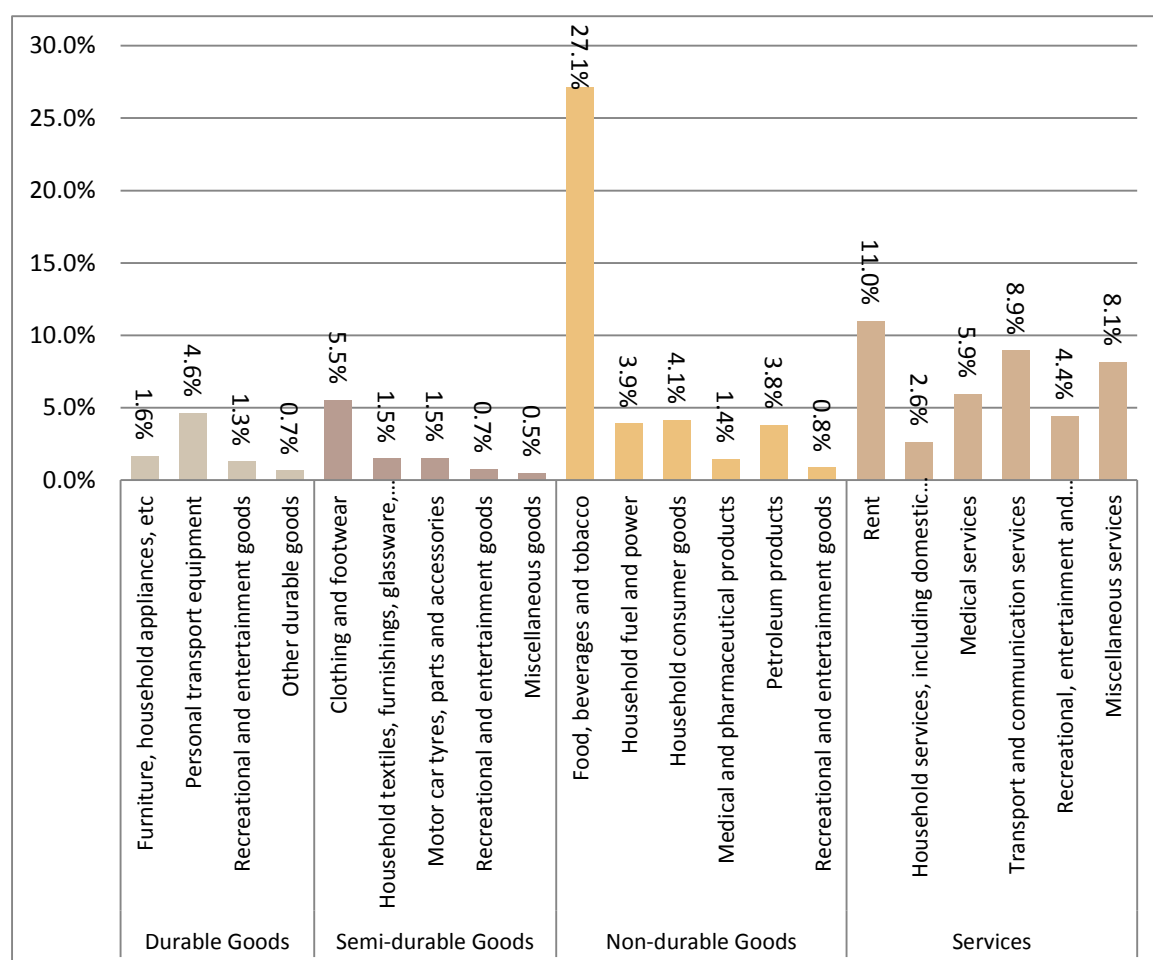


Source: Urban-Econ calculations based on Quantec Data (2012).

The largest sub-category of expenditure is food, beverages and tobacco which collectively contributes just over 27% to the total expenditure within Newcastle. This is followed by rental

(11%), transport and communication (8.9%), miscellaneous goods (8.1%), medical services (5.9%), and clothing and footwear (5.5%). This indicates that a large portion of expenditure is being used for basic necessity items such as food and clothing, as well as rent, transport and communication, with little left over for items such as household furnishings, transport equipment, recreation and entertainment, as well as luxury items.

Figure 10: Sub-category Contribution to Total Expenditure (2010).



Source: Urban-Econ calculations based on Quantec Data (2012).

3.2.4. EMPLOYMENT

3.2.4.1. UNEMPLOYMENT RATE

In terms of the unemployment rate within Newcastle, based on the figures presented on Table 5 below (Stats SA 2001 Census Data), in the year 2001 the number of people illegible to work constituted 43.51% (144 885) of the total population. From the total number of people who were illegible to work, only a mere 39.52% (57 266) were employed and the rest of the

60.48% (87 619) were unemployed. The unemployed people within Newcastle were ranging from the seasonal workers who were presently unemployed, and individuals who could not find work.

Regarding the unemployment rate within Newcastle for the year 2011, the number of people who were illegible to work constituted 27.71% (100 654) of the total population. From the total number of people who were illegible to work, only 62.56% (62 968) were employed and the rest of the 37.44% (37 686) were unemployed. In terms of gender, in 2001 the highest concentration of the unemployed was amongst the female population (42 750) as compares to the male population (36 985) and in 2011 it still remains highest amongst the female population (20 129) as compared to the male population (17 557). In general, the decrease in the unemployment rate means progress has been made with within Newcastle from 60.48% in 2001 to 37.44% in 2011.

Table 8: Employment status by Gender in Newcastle.

	2001			2011		
	Male	Female	Grand Total	Male	Female	Grand Total
Employed	28 384	28 882	57 266	32 504	30 464	62 968
Unemployed	31 340	36 168	67 508	17 557	20 129	37 686
Scholar or student	22 455	20 622	43 077	-	-	-
Discouraged work-seeker	-	-	-	7 617	9 405	17 021
Home-maker or housewife	276	7 884	8 160	-	-	-
Pensioner or retired person/too old to work	3 845	6 155	9 639	-	-	-
Unable to work due to illness or disability	3 025	2 801	5 826	-	-	-
Seasonal worker not working presently	586	523	1 109	-	-	-
Does not choose to work	1 922	2 756	4 678	-	-	-
Could not find work	5 059	6 059	11 118	-	-	-
Other not economically active	-	-	-	50 405	61 820	112 225
Age less than 15 years	-	-	-	-	-	-
Not applicable	-	-	-	64 763	68 573	133 335
Grand Total	96 533	111 850	208 383	172 846	190 390	363 236

Source: Stats SA, 2001 – 2011 Census Data.

However, an analysis of the unemployment rate using the official expanded definition of unemployment reveals a slightly different picture. The average rate of unemployment in Newcastle Municipality is low compared to the Amajuba District, but higher than the provincial average of 21.7% and 22.4% among the females and males respectively.

3.2.4.2. EMPLOYMENT RATE

As of 2014, Newcastle Municipality accounts for 71.7% of both formal and informal employment within the Amajuba District Municipality (refer to Table 9). Since 2004 Newcastle's average contribution towards formal and informal employment within ADM has

been 71,2% which thus means the contribution thereof is seating above average. The figures confirm the role of Newcastle as the main economic hub within the district that provides a variety of employment opportunities, both formal and informal. Also worth noting is the fact the percentage for total employment within Newcastle has remained higher than that of ADM's contribution within KZN which is characterized by a contracting trend.

Table 9: Total employment in Newcastle (Formal & Informal).

	KwaZulu-Natal	Amajuba DM	Newcastle	Emadlangeni	Dannhauser
Total Employment (Formal & Informal)					
2004	2 157 565	94 757	67 396	15 826	11 534
2005	2 230 816	96 464	68 472	16 184	11 808
2006	2 330 572	99 311	70 367	16 675	12 269
2007	2 413 021	100 993	71 536	16 819	12 639
2008	2 442 434	99 842	70 881	16 324	12 637
2009	2 416 239	96 017	68 317	15 431	12 269
2010	2 378 090	91 871	65 514	14 556	11 801
2011	2 358 272	88 884	63 518	13 913	11 452
2012	2 378 376	91 331	65 427	14 173	11 731
2013	2 416 117	93 950	67 340	14 524	12 086
2014	2 441 360	95 902	68 835	14 751	12 315

Source: KZN Treasury (Global Insight).

3.2.4.3. FORMAL EMPLOYMENT BY INDUSTRY

There is a higher percentage of semi-skilled labourers as compared to skilled labourers within Newcastle. This is based on observations made on the observation made on the literacy levels within Newcastle. A combined 7,4%% of the population within Newcastle may be deemed as skilled based on the percentage of people with tertiary and higher post graduate education as the highest level of education. 35,6 of the population may is semi-skilled based on the percentage of secondary education as the highest level of education. The graph below depicts the distribution of those employed in the formal economy based on analysis made on broad economic sectors within Newcastle.

Table 10: Employment in Newcastle by Broad Economic Sectors (9 sectors).

	KwaZulu-Natal	Amajuba DM	Newcastle	Emadlangeni	Dannhauser
Formal Sector Employment					
Number of formally employed people in Broad Economic Sectors (9 sectors)					
1 Agriculture	91 759	3 016	1 542	839	635
2 Mining	10 394	751	512	136	102
3 Manufacturing	289 046	8 787	6 617	1 293	877
4 Electricity	10 411	611	439	66	106
5 Construction	132 778	4 141	2 814	551	776
6 Trade	329 222	13 292	10 215	1 748	1 329
7 Transport	118 180	3 004	2 048	350	606
8 Finance	299 270	7 665	5 631	1 064	970
9 Community services	492 107	26 858	20 424	3 648	2 786

	KwaZulu-Natal	Amajuba DM	Newcastle	Emadlangeni	Dannhauser
Formal Sector Employment					
Number of formally employed people in Broad Economic Sectors (9 sectors)					
Households	216 148	6 418	3 785	1 503	1 131
Total	1 989 315	74 543	54 028	11 199	9 317

Source: KZN Treasury (Global Insight).

Collectively the primary sectors of Newcastle's economy (agriculture and mining) both contribute 3.8% to total formal employment within Newcastle. Of concern is the diminishing growth of formal employment within the agriculture sector due to a decrease in the levels of precipitation. The manufacturing sector, the sector that once made a significant contribution towards formal employment within Newcastle, contributes 12.2% to total formal employment (6 617 people). The manufacturing sector has also experienced negative growth trends largely attributed to the current global financial outlook. These trends are alarming as they highlight the decline in employment within the primary and secondary sectors, two of the sectors that form the foundation of the economy. Innovative measures by government are required in order to ensure that the agricultural and manufacturing sectors are rejuvenated to absorb more labour and stimulate economic activity.

The trading sector (including wholesale & retail trade, catering & accommodation) is amongst the largest formal employment sectors with 18.9% of formal employment. The only other economic sector which is higher than the trading sector is the community services sector and it contributes 37.8% towards total employment within Newcastle. The finance sector contributes 10.4%, while the community, whereas the construction and the transport sector collectively contribute 8.9% towards formal employment.

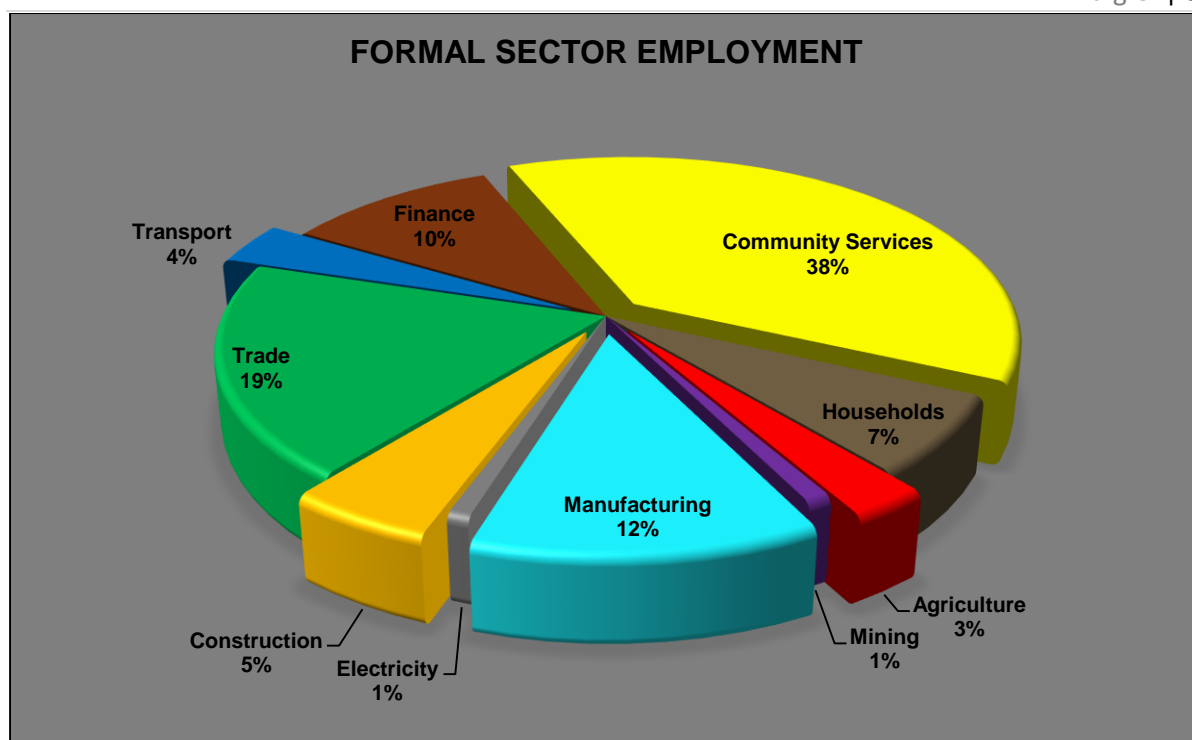


Chart 1: Formal sector employment within Newcastle.

3.2.5. ECONOMICALLY ACTIVE POPULATION

Of the total population of Newcastle, 61% are within the working age bracket (16 - 64 years). Approximately 55% of those within the working age bracket are not-economically active. In terms of the strict definition of unemployment (those who are unemployed, and have given up looking for employment), 29.2% of the labour force (those willing and able to work) are classified as unemployed. This is in line with the district unemployment rate of 29.7%, yet higher than the provincial average of 23.2%. Of those employed, 79.7% are employed within the formal market, while the remaining 20.3% are employed in the informal market. The table below displays the level of skill of those employed in the formal employment market.

Table 11: Level of Education for Formal Sector Employees.

Level of Education	No. of People
Grade 0	91
Grade 1 / Sub A	204
Grade 2 / Sub B	390
Grade 3 / Std 1 / ABET 1Kha Ri Guide; SANLI	398
Grade 4 / Std 2	568
Grade 5 / Std 3 / ABET 2	580
Grade 6 / Std 4	664
Grade 7 / Std 5 / ABET 3	1 179
Grade 8 / Std 6 / Form 1	1 946
Grade 9 / Std 7 / Form 2 / ABET 4	1 733
Grade 10 / Std 8 / Form 3	3 612
Grade 11 / Std 9 / Form 4	3 747
Grade 12 / Std 10 / Form 5	18 227

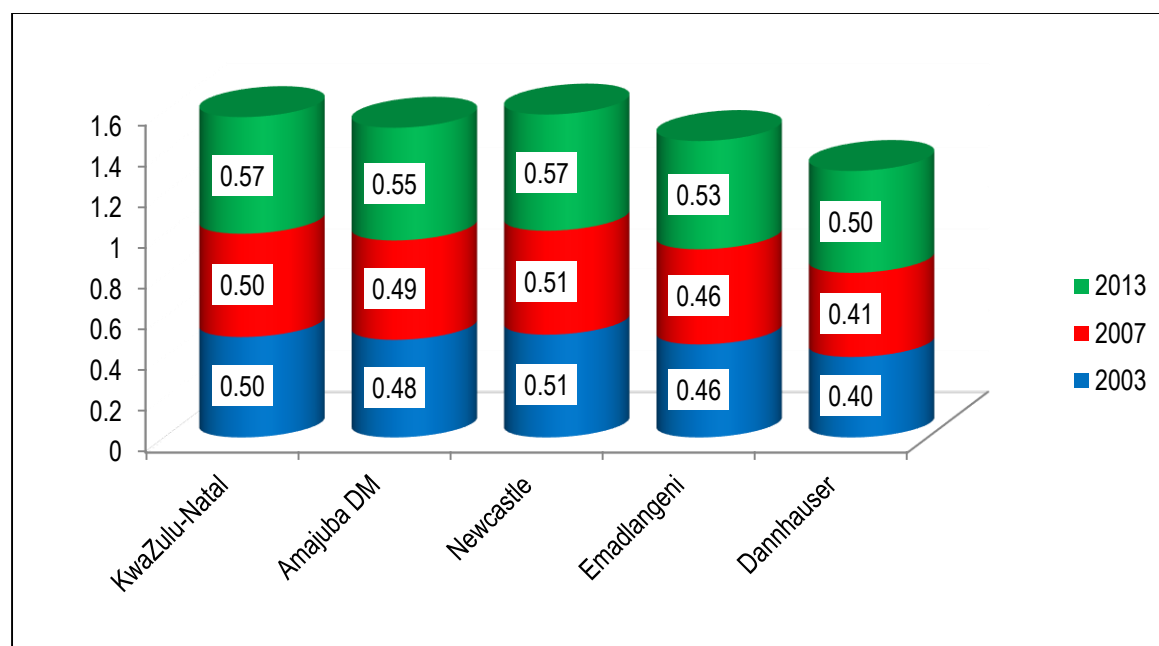
Level of Education	No. of People
NTC I / N1 / NIC / V Level 2	140
NTC II / N2 / NIC / V Level 3	162
NTC III / N3 / NIC / V Level 4	315
N4 / NTC 4	312
N5 / NTC 5	221
N6 / NTC 6	374
Certificate with less than Grade 12 / Std 10	149
Diploma with less than Grade 12 / Std 10	256
Certificate with Grade 12 / Std 10	1 936
Diploma with Grade 12 / Std 10	3 104
Higher Diploma	2 396
Post Higher Diploma Masters; Doctoral Diploma	397
Bachelors Degree	1 696
Bachelors Degree and Post Graduate Diploma	563
Honours Degree	753
Higher Degree Masters / PhD	338
Other	205
No Schooling	1 153
Unspecified	0
Not Applicable	0

Source: Stats SA – 2011 Census Data.

3.2.6. HUMAN DEVELOPMENT INDEX

The Human Development Index (HDI) for Newcastle has improved significantly since 1996 (refer to table 12). This is symbolised by the net decrease in representation of people living in poverty from 45% in 1996 and 2001 down to 39% in 2007. This is, however, below the provincial average of 33% in urban areas. Most of the poverty-stricken households of Newcastle are located in the East as well as within the areas that under Traditional Authority. The urbanized population is generally better off than the rural communities with regards to the affordability levels. The rural communities' level of access to basic service is significantly low hence resulting in major challenges. The provision of sustainable basic and essential services to these communities has proven to be one of the greatest challenges of the Newcastle Municipality, and innovative service delivery options are encouraged.

Figure 11: Human Development Index.

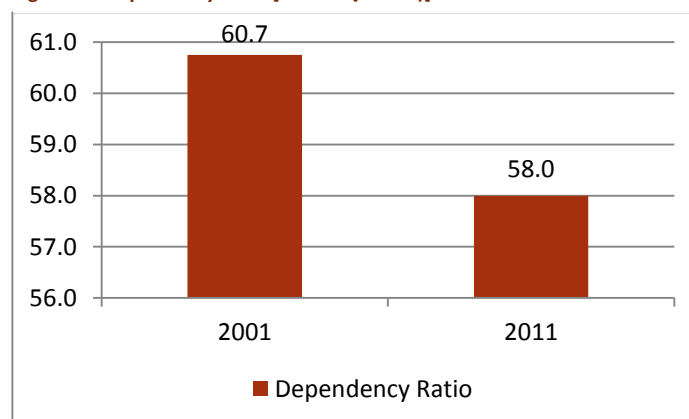


Source: Global Insight.

3.2.7. DEPENDANCY RATIO

The dependency ratio indicates the number of young people (under 16 years) and older people (above 64 years) who depend on people of working age (16 – 64 years) for the livelihoods. As indicated on Figure 9, the dependency ratio in Newcastle has declined from 60.7% in 2001 down to 58% in 2011.

Figure 12: Dependency Ratio [Per 100 {15 - 64}].



3.2.8. POVERTY LEVELS

The table below compares the number of people living in abject poverty within Newcastle Municipality with that of KwaZulu-Natal, Amajuba District and other local municipalities within the district. Newcastle Municipality has the least (44.4%) number of people living in poverty within Amajuba District which has an average of 50.9%. The provincial average is 45.7%. 72.1% of the population in Dannhauser Municipality is living under poverty.

Table 12: People Living in Poverty.

	2002		2006		2012	
Districts	People living in poverty	Percentage of people living in poverty	People living in poverty	Percentage of people living in poverty	People living in poverty	Percentage of people living in poverty
KwaZulu-Natal	5 586 644	58.1%	5 224 176	52.8%	4 729 241	45.7%
Amajuba	301 878	64.4%	287 427	59.4%	256 987	50.9%
Newcastle	170 620	56.0%	162 113	51.0%	148 150	44.4%
Emadlangeni	43 787	69.1%	43 273	64.6%	34 941	51.3%
Dannhauser	87 471	86.8%	82 041	82.6%	73 896	72.1%

Source: Global Insight.

3.3. SPATIAL ANALYSIS

Newcastle Municipality's boundaries were delineated in terms of the Municipal Demarcation Act (Act No. 27 of 1998) taking into account a number of factors including physical features of the area, population movement patterns, economic trends, the distances that can be a challenge for participation in meetings of ward committees, and the social organisation of communities. As such, the boundaries are not simply administrative, but also provide a framework for regional economic development and planning. This section provides a broad spatial analysis and should be read together with the Newcastle Municipality's Spatial Development Framework.

3.3.1. DISTRICT CONTEXT

Newcastle is by far, the largest economic hub within the administrative boundaries of Amajuba District. It is located on the North-Western side of KwaZulu-Natal province and shares the borders with the neighbouring provinces of Mpumalanga and Free State. Newcastle Local Municipality has a geographical coverage of 1854 km², and it is bounded by the Utrecht Municipality to the East, and Dannhauser Municipality towards the South, Free State Province (Thabo Mofutsanyane District Municipality) to the West and Mpumalanga Province (Gert Sibande District Municipality) to the North. The city of Newcastle is a service centre serving the region, mainly rural hinterlands, with the CBD being the primary economic and social node for the city. Newcastle also serves a number of small settlements which surround it.

Newcastle is well placed to benefit from regional economic growth given its strategic location at the nexus of major tourism, logistics, farming and industrial routes, and as the seat of

government in KwaZulu-Natal. Newcastle is centrally located in the northern region of KZN, halfway between Johannesburg and the harbours of Durban and Richards Bay, hence contributing to the export of manufactured goods, as well as for distribution to the Gauteng market. Newcastle is also provided with good access infrastructure to these areas, which includes road and rail networks. It is situated on the national rail route between the Durban Container Terminal and City Deep in Gauteng, and has within its confines, major rail exchange yards, supporting railway stations and extensive goods conversion/warehousing facilities. Previous reviews of the local economy have identified manufacturing, tourism and agriculture as the three main economic sectors in the area. In Newcastle, there are 34 sectors that contribute to the GVA-R, of which metal products, machinery and household appliances products is the largest contributor, followed by the education and land, and the land and transportation sector. The GVA-R, of Newcastle has experienced a significant increase over the last 12 years.

3.3.2. REGIONAL AND LOCAL ROAD NETWORK

Movement within Newcastle can be divided into two categories, that is:-

- Movement that traverses the Municipal Area not having any settlement within the Municipal Area as a destination; and
- Movement that takes place between destinations or settlements within the Municipal Area.

With regards to the former, movements along the national road apply. For example, the N11 is used as the connecting route between Northern KwaZulu-Natal and Mpumalanga.

3.3.2.1. LOCAL ACCESS AND MOVEMENT

With regards to internal movement, a number of prominent routes can be identified. Firstly, there is a strong movement of people between Madadeni and Osizweni, the latter being the core area of the Municipal Area. Secondly, a strong movement axis exists between Madadeni and Osizweni along the MR483. Thirdly, a movement axis is found between the Newcastle CBD on to other smaller settlements, such as Memel to the West and Ingogo, Charlestown and Volksrust to the North.

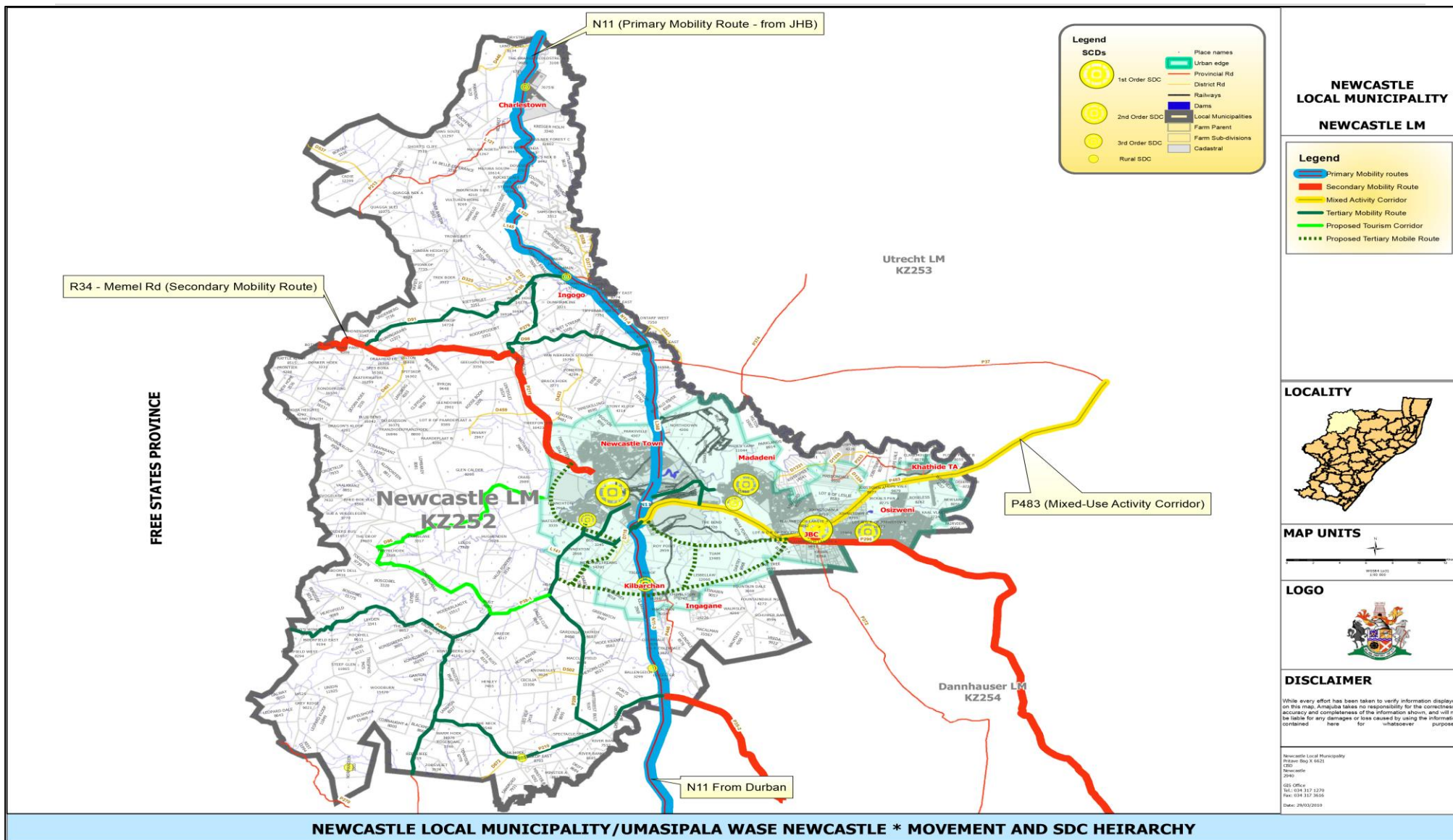
3.3.2.2. REGIONAL ACCESS AND MOVEMENT

Newcastle Municipality enjoys relatively good access at a national and regional scale. North-South linkages are facilitated by the N11 and East-West linkages by the P483 and R34. The N11 is a primary movement and mobility corridor. It runs in a North-South direction from the

N2 in Ermelo to the N3 in Ladysmith through Newcastle Town thus making the area highly accessible and well connected to the national, provincial and regional road network.

Although the SDF identifies this route as a primary corridor, access to it is governed in terms of the South African National Roads Agency Limited (SANRAL) regulations. This includes limitations imposed on the number and location of direct access points and location of uses, which may be viewed as having potential to interrupt traffic flows.

Secondary corridors include the R34 which runs East from Newcastle to Utrecht and beyond to Vryheid and Richards Bay, and West to Memel and Vrede as well as the R621 linking to Dannhauser. These routes all originate from the CBD. The Madadeni-Osizweni section of the road to Utrecht (MR483) has been identified as a mixed-use corridor and is to be developed with nodes of services and economic opportunities. Regional access routes are subject to the rules and regulations of the Department of Transport.



Map 2: Newcastle Municipality Movement and SDC Hierarchy (Source: NLM Final SDF 2014/15).

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3.3.3. SETTLEMENT PATTERN

The settlement pattern in NLM has largely followed access routes thus forming an economic system with definite interdependencies between and among various elements. However, it has also been highly influenced by the past apartheid planning and segregationist policies. The current settlement pattern reflects a continuum of settlements from a highly urban Newcastle town through to peri-urban settlements in the JBC and extensive commercial farmlands with small isolated farm-dweller settlements.

3.3.3.1. URBAN AREAS

The urban component of the NLM comprises of three distinct sections, namely:-

- Newcastle West;
- A central Industrial Area; and
- Madadeni and Osizweni to the East.

An urban edge has been determined around this entire complex and it is proposed that all future urban development takes place within these confines thus to integrate, densify and diversify it as well as to limit the loss of high yield agricultural land.

3.3.3.1.1. NEWCASTLE WEST

The CBD is located in Newcastle West on the Southern side of the confluence of the Ncandu and Jordan Rivers. Newcastle West is predominantly residential with the Northern section being the most affluent. Ribbon development runs South-Eastwards from the CBD along the R34 and includes a new shopping centre, restaurants, garage and car showroom, hotels and lodges, amongst other things. The Northern portion of Newcastle West also accommodates the show-grounds, Monte Vista Casino and Conference Centre, a golf course and a technical college.

Immediately South of the CBD are the original residential areas of the town also laid out in the same gridiron-street pattern and home to the Newcastle Private Hospital and Newcastle Provincial Hospital. The police station and a number of home offices which have spread outwards from the CBD are also found South of the CBD. South-West of the CBD are further residential suburbs.

Newcastle CBD is currently going through a process of spatial transformation. This involves three main processes, namely:-

- ☛ Decentralisation of commercial and office space;
- ☛ Redevelopment; and
- ☛ Expansion of the town area.

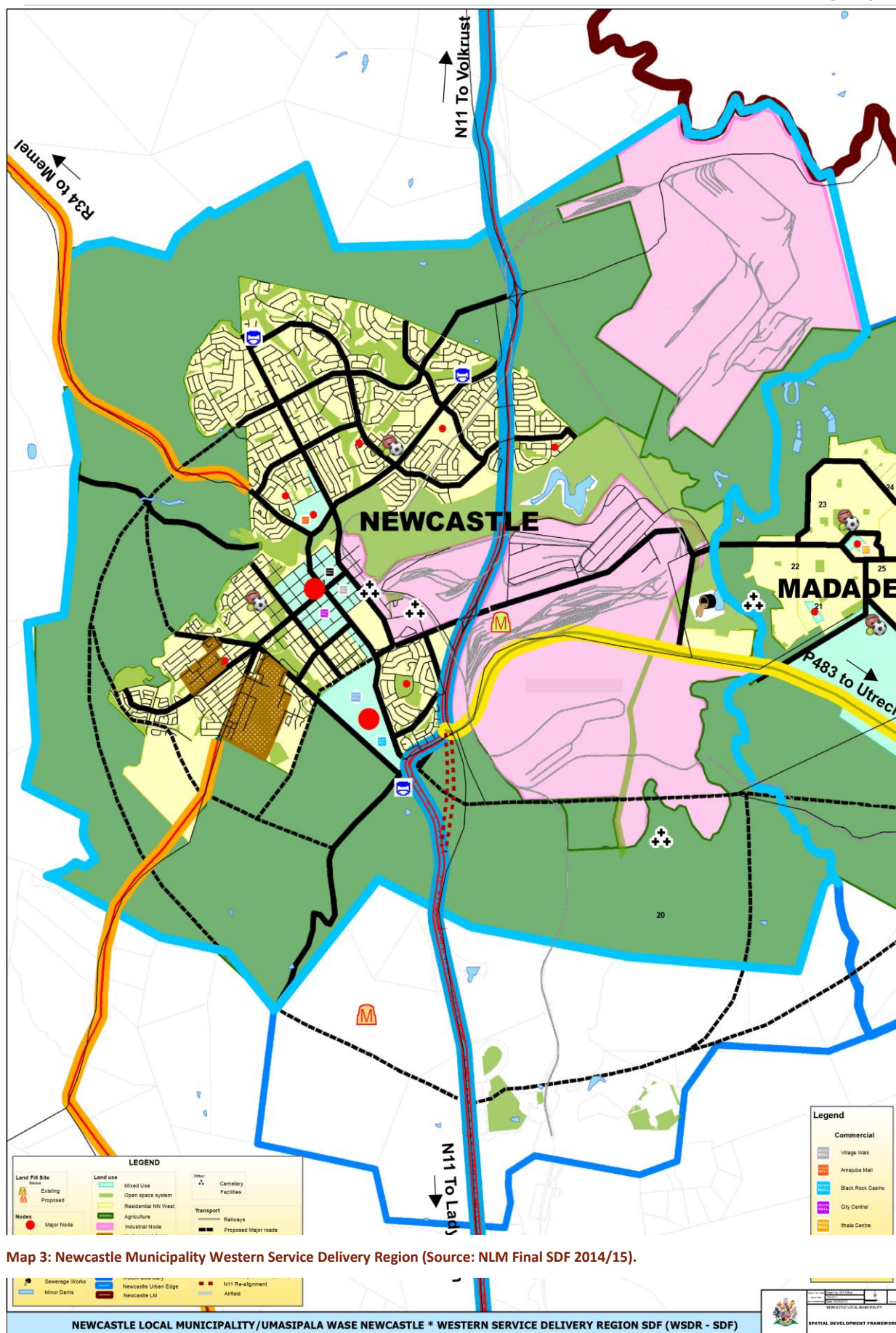
Decentralisation of commercial and office space occurs in the form of nodular development at both Eastern and Western entrances/gateways into Newcastle CBD. Newcastle West development includes a number of service industries, a community commercial centre, hotels and a number of associated developments. The area is earmarked for further commercial development.

Rights were granted for the development of a regional shopping centre next to the new Casino and the Newcastle Mall has since taken root and is in operation. A new office complex has also been developed in the area while infrastructure has been laid for mixed land use development. Other developments expected in this node in the near future include motor-showrooms, restaurants, etc. Redevelopment on the other hand, involves the refurbishment of buildings vacant or under-utilised, because of economic downturn and relocation of offices to the new office node. This process also includes the transformation of office use, particularly professional offices, into residential areas that are adjacent to the CBD. A number of dwelling units have been granted office use rights or are being used as offices.

Newcastle Municipality has accordingly developed strategic responses to these trends. These include the Newcastle West Precinct Plan, the CBD Development Plan and the Newcastle South Spatial Development Plan (SDP). The latter provides for a range of residential land uses, including mixed land use and commercial nodes. The net effect of these plans is the extension of the town's built-up area, shifting of the urban edge and opening of new interface zones. In view of its strategic location in Northern KwaZulu-Natal, Newcastle is likely to remain a regional service centre unchallenged by other nearby towns in the foreseeable future. Its market threshold is relatively secure, but its economic and social vitality remains dependent on the state of its regional hinterland. The CBD itself has remained relatively stable.

3.3.3.1.2. CENTRAL INDUSTRIAL AREA

East of the CBD lies large industrial areas, the N11 and Iscor facility, as well as an airfield and landfill site. It is also the location of Amcor Dam and Recreational facility. The area occupies approximately 516ha of land zoned for industrial use, of which only a small portion is developed. While the area accounts for a significant amount of employment opportunities in the NLM, it historically developed as a buffer strip between the former white only areas in the Newcastle West and the former black only townships of Madadeni and Osizweni.



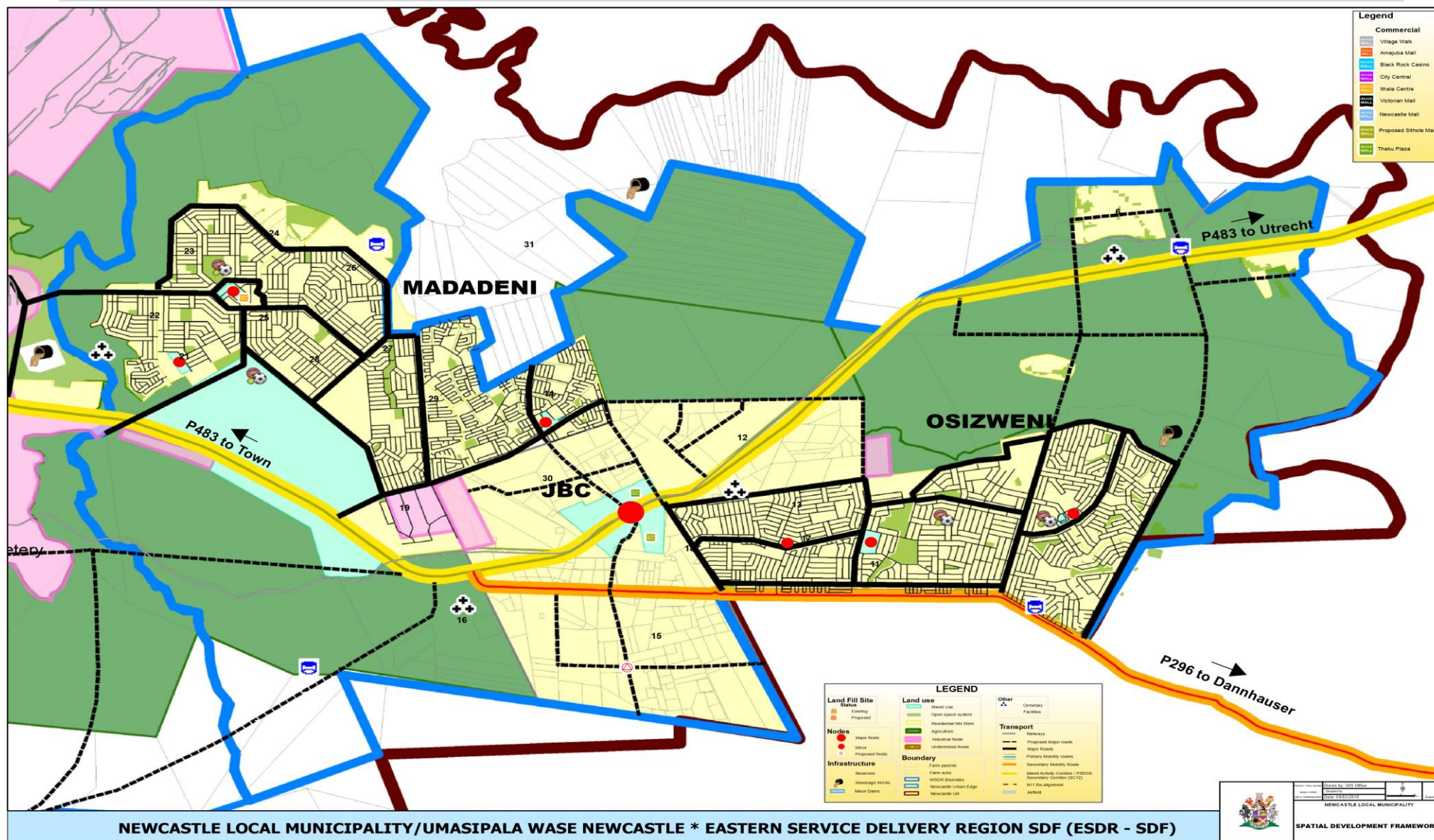
The Western Service Delivery Region (WSDR) covers the areas of Newcastle West within the Urban Edge, these would be the Newcastle Central Business District (CBD), the Newcastle West suburbs and the airport industrial area. These areas are covered under the Newcastle scheme. The zooming into the WSDR will give more detailed land use guidelines and highlight priority investment and development areas and will also act as a guide to decision-makers and investors. A number of intervention areas for the WSDR have been identified where the intention is that the entire Service Delivery Region be covered in the long term by the municipal hierarchy of plans. Intervention areas for the WSDR include:-

- ☛ Newcastle West Intervention Area;
- ☛ Newcastle South Intervention Area;
- ☛ Newcastle Industrial Intervention Area; and
- ☛ KIB Intervention Area.

3.3.3.1.3. MBO COMPLEX

MBO is located along P483 and comprises of the townships of Madadeni and Osizweni, and the JBC area. Madadeni and Osizweni were laid out in the 1970s on the basis of a Master Plan developed in 1975, and reviewed in June 1985. The plan was based on the dominant planning doctrine and highly influenced by the political regime. It gave rise to a compact linear urban form with a rectilinear road network based on 3 to 4 km grid spacing of major arterials. The JBC area, which joins the Madadeni and Osizweni areas, has a more peri-urban character, consisting mainly of informal settlements. This area developed as a result of “shack farming” thus transforming the area from agriculture into an urban slum, with no formal planning. This has given rise to a complex set of land legal issues including title adjustment, beneficial occupation rights, tenancy and freehold ownership rights.

The MBO complex is characterised by a poor condition of services and a general lack of amenity and pleasant appearance. This robs the area of private sector investment and perpetuates dependency on the Newcastle city centre. Urban renewal programmes being initiated in the MBO complex will result in the upgrade of the public realm and improve the quality of life of the previously disadvantaged. It will also promote both public and private sector investment in the area. Access to public facilities and a safe environment are the other important aspects of quality of life that should be addressed in these areas.



Map 4: Newcastle Municipality Eastern Service Delivery Region (Source: NLM Final SDF 2014/15).

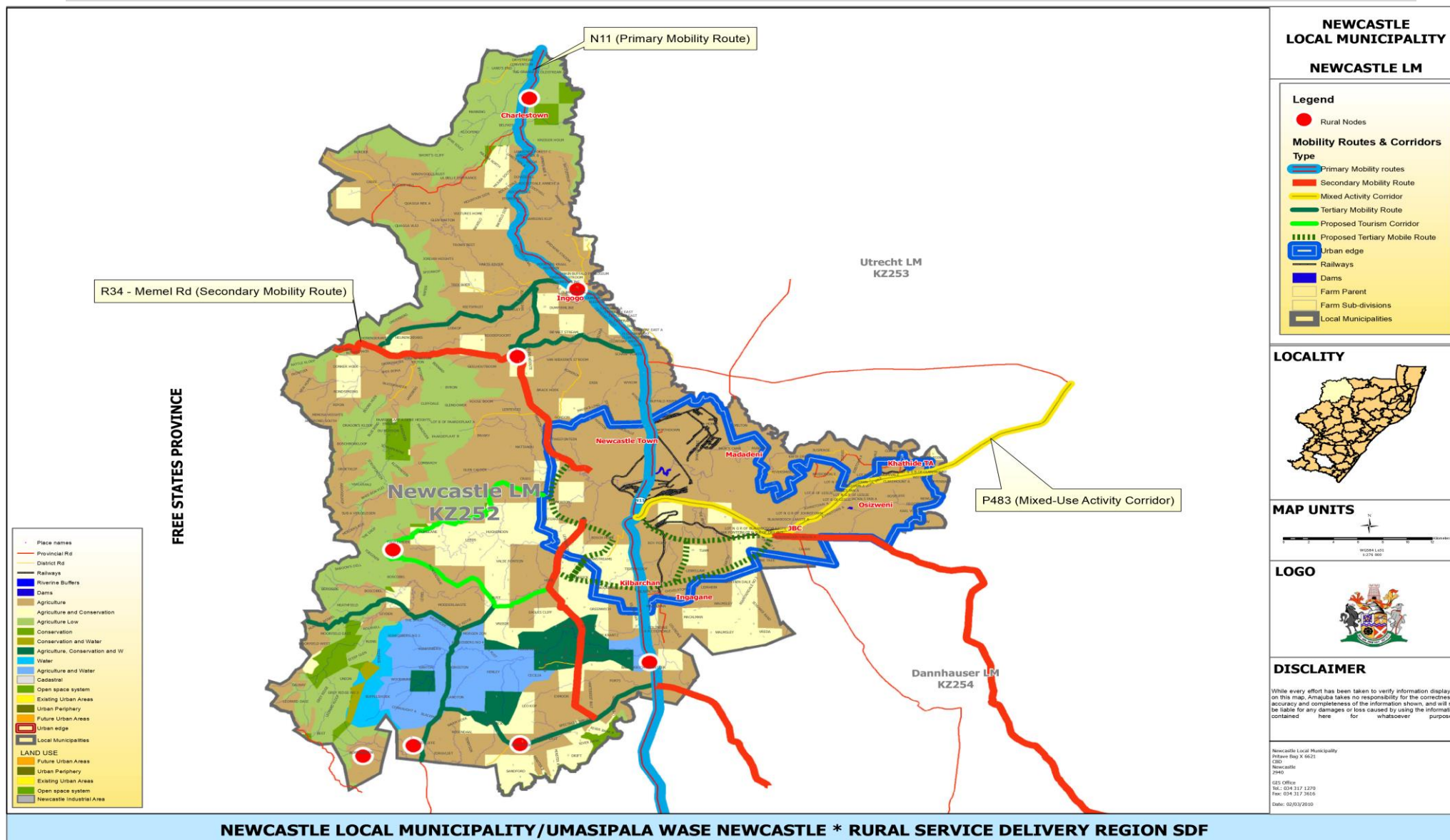
3.3.3.2. RURAL SETTLEMENTS

The rural component of the municipality is dominated by expansive commercial farmland, which is used mainly for livestock farming and crop production. Some of the farms are affected by the land reform program, particularly the land restitution and labour tenancy program that may lead to the creation of new settlements and erosion of agricultural land.

However, there are few established settlements on commercial farmlands. These settlements include smaller rural settlements such as Charlestown and Ingogo. Charlestown provides basic services and functions to the surrounding agricultural areas and is identified as a tertiary node in the SDF, together with Lennoxton. Ingogo, on the other hand, is a purely rural settlement based on its low population numbers, and is classified as a rural node, as is Leokop.

Other rural settlements are located within the Ubuhlebonzinyathi Community Authority area and include the settlements that generally fall within the traditional leadership of AmaHlubi in the Drycut area and Khathide along the northern boundary of the NLM.

WARD 1 - Botha's Pass. - Brinkshoop. - Charlestown. - Ngogo. - Majuba Forest. - Normandien. - Wykom.	WARD 6 - Claremont. - Jakkalspan. - Jobstown. - Masondale.	WARD 7 - Manzana. - Mndozo.
WARD 12 - Johnstown, divided into various sections:- <ul style="list-style-type: none"> o Johnstown-Bhareni. o Johnstown-Dindela. o Johnstown-Leslie. o Johnstown-Phesheya kodonga. 	WARD 15 - Blaauwboschelaagte. - Cavan. - Mahalbhomi.	WARD 16 - Blaauwboschlaagte. - Dry Cut.
WARD 18 - Blaauwboschlaagte.	WARD 31 - Riversmeet. - Suspense. - Soul City.	



Map 5: Newcastle Municipality Rural Service Delivery Region (Source: NLM Final SDF 2014/15).

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3.3.3.3. FORMER MINING AREAS

A number of settlements are also located in the south-eastern portion of NLM. These settlements are scattered throughout the area and are mainly as a result of mining activity, which is concentrated along a mining belt that runs from the centre of the municipal area towards the south east. The mines have stimulated the development of numerous smaller settlements, such as Kilbarchan, Ingagane and Ballengeich. It has however impacted negatively on the spatial structure of the Municipal area by preventing development of an integrated urban structure. Higher standards of housing and access to infrastructure are found in these formal settlements. The settlement pattern can mainly be ascribed to the mining activities and the Ingagane power station in the area, which caused discrete pockets of settlements. These are mostly around or close to mining activities. Some of the mining activities have however been downscaled or closed down.

3.3.4. IMPACT OF POST-APARTHEID SPATIAL PLANNING

Past apartheid policies had a profound impact on the structure and functionality of the Newcastle Municipality. The policies fragmented communities, marginalised their economic activities and undermined their participation in the economy. They located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development. Spatial fragmentation was implemented to effectively separate the urban complex of Newcastle-West and the former dormitory suburbs of Madadeni and Osizweni. These two areas are situated at least between 15km and 35km from Newcastle central business district (CBD) in line with apartheid spatial engineering. Spatial fragmentation, referring to separate blobs of development with no linkages, has the potential to undermine the role of Newcastle in its regional context and impact negatively on its ability to perform its functions effectively and efficiently.

3.3.5. LAND USE MANAGEMENT

In terms of the Municipal Systems Act (Act No. 32 of 2000), a Land Use Management System is a legal requirement that Newcastle Municipality is obliged to meet. In response, Newcastle municipality has developed a wall-to-wall scheme as part of a comprehensive review of the existing Newcastle Town Planning Scheme, and a process towards the introduction of land use controls in areas hitherto not covered by the scheme. However, this document has not been implemented as due process is being followed to amend the Newcastle Town Planning Scheme as provided for in the KwaZulu Natal Planning and Development Act, 2008 (Act No. 6

of 2008). The Newcastle municipality has taken an incremental approach toward the implementation of the town-planning scheme in all areas, except the agricultural land. At present, Newcastle town is the only area that is covered by a Town Planning Scheme within the municipality.

3.3.6. SPATIAL TRENDS AND PATTERNS

The urban part of Newcastle Local Municipality is characterized by a highly inefficient and fractured spatial pattern inherited from the apartheid past. Historically, the town of Newcastle was divided along racial (now class lines), with the poorer communities situated away from job and economic opportunities, and excluded from the social fabric of the town. The main residential areas for the poor – Madadeni, Osizweni and JBC area located approximately 20 to 35km from the CBD.

The following are some of the key structural elements of the MBO complex:-

- ☛ Explosive low density sprawls in the form of informal and traditional settlements that have developed within the MBO area. Some of this occurs on privately owned land in the JBC complex. The direction of this development is not controlled, but accommodates people who either cannot afford formal housing in legally designated areas or who seek location closer to the urban opportunities while wanting to maintain a rural lifestyle.1975.
- ☛ Loose character of the urban fabric epitomised by the single storey house on a plot type of development. Nearby housing projects have reproduced the same type of settlements albeit with lower level of services. High space standards applied in the provision of public facilities also contribute to the loose character of the urban fabric.
- ☛ Urban rural interface as the outer boundaries of the area adjoins onto agricultural land and rural settlements located on Ingonyama Trust land.
- ☛ Inwardly oriented discreet pockets of mono-functional developments operating in isolation. Creating separation of different land uses, particularly between residential, commercial and industrial areas.

The net effect of this situation is an inefficient disintegrated spatial system, characterised by an enormous amount of movement between the Node and surrounding areas and especially between the Newcastle CBD and the JBC complex on a daily basis.

3.3.7. LAND REFORM PROGRAMME AND RURAL DEVELOPMENT

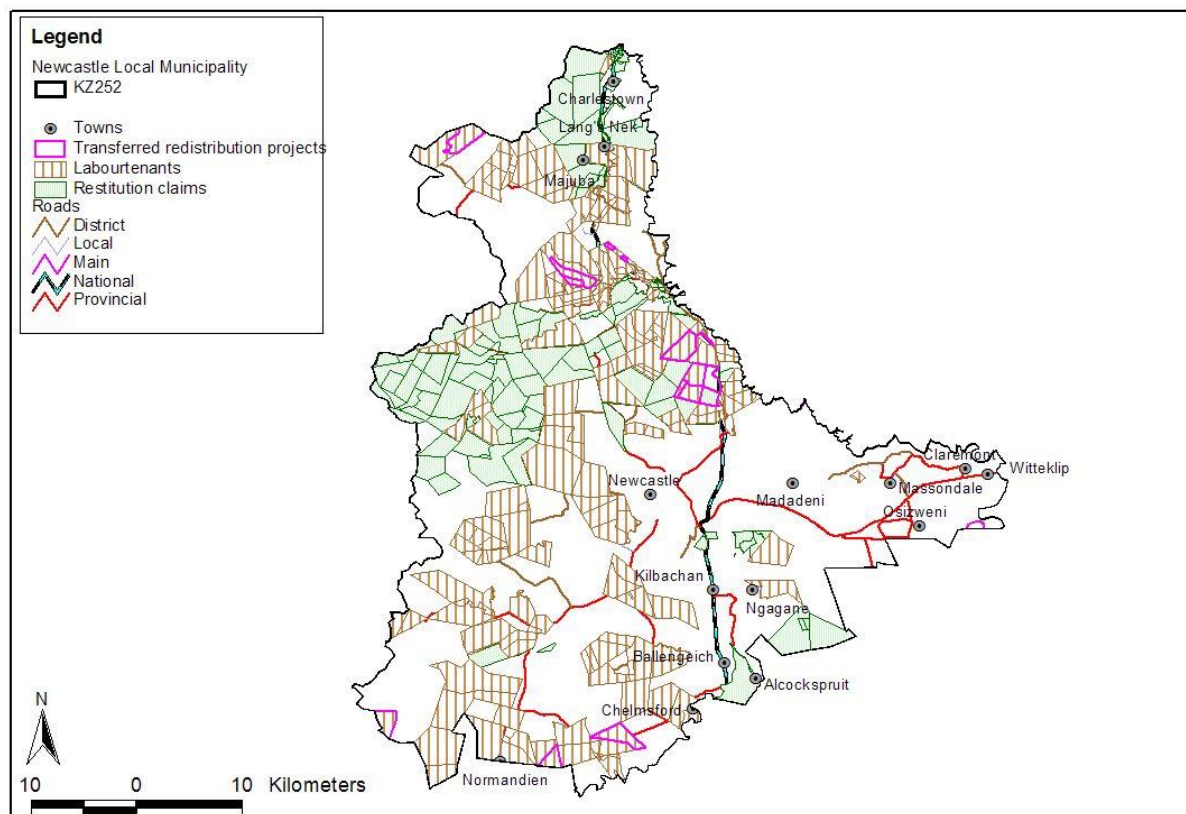
The Newcastle Area has long been grappling with the land issues and has been involved in the implementation of the land reform since its inception. Land issues in the area cover both urban and rural areas, and cuts across the various elements of the land reform programme. Despite this, the area still lacks a common and coordinated vision for land and agrarian reform. Attempts by the Department of Rural Development and Land Reform, in association with Amajuba District to develop an Area Based Plan dealing comprehensively with the land issues in the area has not made any significant impact in this regard.

3.3.7.1. STATUS OF LAND REFORM PROGRAMME.

According to the Amajuba District Municipality Area Based Plan, the Department of Rural Development and Land Reform is implementing the following projects within Newcastle Municipality:-

- ☛ **Land Redistribution (LRAD):** There are 15 completed land restitution projects where 5,097ha of land has been transferred to 283 households (1456 individuals).
- ☛ **Land Restitution:** There are 130 claims on farms in the Newcastle area, totalling 53,000ha. Of this, 34 claims have been settled, making up 12,700ha.

Map 6: Land Reform Projects.



- ☛ **Tenure Security (Labour Tenants):** There are tenure security claims on 99 farms, making up a total area of 973ha.

The Amajuba District Municipality Area Based Plan further notes that 73,212ha of land has been transferred under the land reform programme. An application of the 30% target suggests that 109,447ha is required in order to bring the programme in Newcastle in line with the national targets.

As indicated on the Map (figure 5) above, the programme will have significant economic and spatial impact in the area. Strategies should be devised to integrate the programme into the service delivery and economic development programme of the municipality. Careful management and support to beneficiaries is necessary to sustain the production potential of land in the area.

3.3.7.2. LAND TENURE UPGRADING

The need for land tenure upgrading in the NLM affects four types of communities, namely:-

- ☛ People who hold Deeds of Grant to land;
- ☛ People who require their title deeds to be adjusted;
- ☛ Tenants in the JBC area; and
- ☛ Farm dwellers.

3.3.7.2.1. MADADENI AND OSIZWENI TOWNSHIPS

The title upgrading process undertaken as part of the Extended Discount Benefit Scheme involving areas where people held their properties through Deeds of Grant (eg. Madadeni and Osizweni Townships) has virtually been completed.

3.3.7.2.2. JBC AND CHARLESTOWN

Similarly, substantial progress has been made with the title adjustment process involving land owners in the JBC and Charlestown areas. The completion of this exercise is critical to unlocking privately owned land in these areas for the development of sustainable human settlements. In fact, a comprehensive scheme which involved the provincial Department of Human Settlements and the national Department of Rural Development and Land Reform should be initiated as part of the Urban Renewal Programme to deal with the land issues in the JBC and Charlestown areas. This includes people who occupy the area as tenants whose land tenure remains insecure.

3.3.7.2.3. UBUHLEBOMZINYATHI

Communities occupying the area that falls under the jurisdiction of Ubuhlebomzinyathi Community Authority should also be considered for land tenure upgrading. These include Khathide, Dicks, Mndozo, etc. At present, these communities enjoy beneficial occupation rights protected in terms of the Interim Protection of Informal Land Rights (IPILRA). These areas require careful management as they are fast deteriorating into urban slums. Densities are increasing and accounts for some of the huge urban service backlogs in the NLM.

3.3.7.2.4. AMAHLUBI SETTLEMENT

The land occupied by AmaHlubi Community in the vicinity of Drycut Cemetery should be investigated as it may fall outside the proclaimed area of Ubuhlebomzinyathi Community Authority. The land has been subject of a court case between Ingonyama Trust and AmaHlubi Traditional Council. Other areas that require attention in terms of tenure security are the settlements located to the north of the Osizweni Township and the JBC area.

3.3.7.3. LABOUR TENANT CLAIMS

As indicated on the Map above, a number of labour tenant claims were registered against various farms within the Newcastle Municipality Area. The process towards the resolution of these claims has been frustratingly slow. It is critically important for the municipality to follow this process closely as it may result in the establishment of small isolated settlements. A rural development strategy is required to guide this process and ensure that settlements do not encroach onto agricultural land in an uncontrolled manner.

3.3.7.4. LAND RESTITUTION.

A number of land restitution claims were lodged against various properties in the Newcastle Area. The majority of these are large in size and ranges with complexities. Charlestown, which involves dairy farming, timber plantations, crop production and livestock farming, has been resolved successfully with the community obtaining access to more than 10 000ha of good agricultural land. The challenge is now to develop the farms, sustain productivity and create employment opportunities. The process towards the resolution of the other land claims such as Ingogo is progressing slowly. In view of the size of these claims and potential for agricultural development, it is critically important for Newcastle Municipality to ensure that they are integrated into the economic and service delivery programmes of the municipality.

3.3.7.5. IMPACT OF THE LAND REFORM PROGRAMME

As indicated on figure 5 above, the land reform programme has a significant spatial impact in the area. Other impacts are as follows:-

- ☛ **The loss of productive agricultural land to residential development**, resulting in reduced contributions by agriculture to the local economy and loss of job creation opportunities.
- ☛ **Land reform resulting on the loss of productive agricultural land.** If operations on productive land are unsustainable, this will “virtually destroy the agricultural sector, result in massive unemployment and poverty and a loss of food security.”
- ☛ **Provision of adequate water supplies.** An adequate and sustainable supply of water is critical to the long term development of agriculture. Threats includes climate change, invasive alien plants and pollution.

3.3.7.6. SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ Newcastle is a city that is resilient and adaptive. ▪ It is organized around mobility and development corridors with a complete transportation network (road, rail, and air). ▪ It is anchored by its natural resources which make it unique and desirable with good potential agricultural land. ▪ The N11 route bisects the Eastern and Western halves of the municipal urban area. The road is also used as an alternative route from Durban to Gauteng. ▪ It is the anchor city within the Northern Natal region and 2nd order node in KZN. ▪ It is located on the boundaries of Free State and Mpumalanga provinces which allow for capital to be spent in Newcastle Municipal area. 	<ul style="list-style-type: none"> ▪ Higher densities are found close to established nodes. ▪ Urban sprawl leads to Infrastructure backlogs and new informal settlements mushrooming. ▪ A fragmented spatial structure with limited future spatial growth options which lead to shortage of residential land. ▪ Industrial sector stagnated with very few new industrial developments. ▪ Poor management of open spaces and large tracks of undermined areas that cannot be utilized within the built-up areas. ▪ Poor accessibility due to mobility function of corridors being compromised and undefined, road network towards MBO areas as well, while the railway lines and airport has been underutilized.
OPPORTUNITIES	THREATS

<ul style="list-style-type: none"> ▪ Clustering of social and community facilities around development nodes and corridors including Service Delivery Centres which in turn contribute to land use and transportation integration. ▪ Tourism is growing and drawing tourist investment to the town. ▪ Mining, a growing demand on resources such as coal. ▪ The road infrastructure, railway lines and airport which provide connectivity. ▪ Informal sector can become a long term economic reality while private investment is also on the increase. ▪ Open spaces with densification potential 	<ul style="list-style-type: none"> ▪ Private investment patterns remain in nodes of Newcastle west and a general decline in investment. ▪ Natural Environment is experiencing a lack of environmental assessment. ▪ Urbanisation made it difficult to formalize settlements which are time consuming. ▪ Lack of personnel and resources, issue of unregistered planners. ▪ Unplanned Informal Settlements and developments creeping onto natural resources and neighbouring municipalities. ▪ Urban decay in major nodes.
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3.3.8. NATURAL ENVIRONMENT

3.3.8.1. TERRAIN

The terrain of NLM is relatively flat even though the area is characterised by some mountainous terrain running from the North along the Western boundary. Elevation is the lowest in the Eastern portion of the municipality, with scattered small hills and rolling landscapes in the centre. Elevations above sea level range from 1160.04m above sea level in the flat terrain in the east to 2228.53m above sea level in the mountainous terrain.

The most concentrated urban development and industry are located on relatively flat terrain. This generally refers to the urban complex of Newcastle town and MBO complex and the industrial area located in between. The elevated relief towards the West refers to the Drakensburg range and the Amajuba Mountain to the North.

3.3.8.2. GEOLOGY

The subsurface geology has a great influence on the terrain of Newcastle including the soil and vegetation cover which are essential to the conditions of development. It is also the source of minerals that form the characteristics of the area. The geological structure of NLM features four kinds of rock formations which include the following:-

- ☞ **Carboniferous age sandstone of the Vryheid Formation** – This is basically the oldest geological formation present in NLM and is mostly prevalent in the Newcastle East Area.
- ☞ **Jurassic Age Dolerite** – The youngest geological formation present in the area and mostly prevalent in the Newcastle West Area.

- Permian age mudstone and sandstone of the Emakwezini Formation – Which occurs more towards the Newcastle West Boundary.
- Permian/carboniferous age shale of the Volkrust Formation** – Pockets of this formation occurs within the Newcastle West Area and most of the surrounding areas of Charlestown.

Furthermore, the mineral potential of NLM is also closely related to the geological systems of the area. The minerals within the area contribute to the economic value of Newcastle. The Klip River coal field, the most economically important of the KwaZulu-Natal coal fields occurs North-South along the N11 and more towards the Newcastle East Area. In simple terms, Newcastle lies North of the coal fields and there is potential for the exploitation of such coal resources. The following entails the minerals resources that occur in the area:-

- Torbonite** – Prevalence of this form of coal is found immediately West of Newcastle.
- Iron Oxide (FeO)** – This is the mostly illegally exploited form of coal and it is concentrated within the MBO area. Due to such, there remains limited potential for attracting investments as there are minimal reserves left.
- Bauxite (Al)** – Four bauxite deposits occur to the West of N11 and South of the Newcastle CBD. A South African Geological Survey concluded that exploitation was unlikely due to the sites being too widely located hence too expensive to process efficiently.
- Aggregate** – There is abundance of dolerite and sandstone deposits in the area which thus provides ideal sources of aggregate for construction and other purposes.
- Sand** – Sand is mostly found along river courses due to the disintegration of the parent rock. Newcastle is endowed with adequate quaternary deposits along streams and river courses (i.e. the Buffalo River and the Ngagane River) and these can be mined to use for building purposes.
- Brick Clay** – The shales of the Vryheid Formation provide excellent raw material for high quality clay bricks. Such soft rock deposits occur at or near the surface thus making them much easier to mine through open cast methods.

3.3.8.3. CATCHMENTS

Newcastle is located in the catchment of the Ngagane River with Ncandu River being one of the major tributaries. The Ngagane River flows into the Buffalo River which is one of the major rivers in the Thukela Water Management Area (TWMA). The Thukela basin has strategic water importance which thus makes it a significant in terms of water supply.

Five main catchments areas form part of NLM. This includes the larger Buffalo River catchment, which ultimately forms part of the Tugela River system. These include:-

- ☛ The Ngagane River where it meets the Ncandu River (Ngagane Catchment);
- ☛ The Ncandu River where it meets the Ngagane River (Ncandu Catchment);
- ☛ The Ngagane River where it meets the Buffalo River (Additional Ngagane Catchment, which includes the upstream Ncandu and Ngagane River Catchments);
- ☛ The Buffalo River at its confluence with the Ngagane River (Buffalo Catchment); and
- ☛ The Buffalo River to where it intersects with the Newcastle LM boundary (Additional Buffalo Catchment, which includes the upstream Ngagane and Ncandu River Catchments).

Two significant dams were identified within the study area, namely that of the Chelmsford Dam, also known as the Ntshingwayo Dam, located to the South of Newcastle within the Ngagane River catchment, and the Zaaihoek Dam located to the North-East of Newcastle within the Buffalo River catchment. In addition to this, two significant wetland systems were identified, namely the Wakkerstroom Wetland located just outside Wakkerstroom and the Boshoffsvlei Wetland located to the North-East of Newcastle Town. It should be noted that legislation dictates (as per the National Water Act No. 36 of 1998) that wetland areas are protected and therefore development within 30 metres of the wetland is prohibited.

The total flow and Mean Annual Runoff (MAR) per quaternary catchment located within the study area and above-mentioned catchments is expected to exit the Buffalo River at the South-Eastern boundary of the NLM boundary.

The majority of water abstracted (85%) is used for irrigation. The total area registered for irrigation is equal to 55 124ha within the NLM. The total water abstracted compared to that which is available (as per the MAR) is equal to 10.5%.

3.3.9. WATER QUALITY

3.3.9.1. SOURCES OF WATER CONTAMINATION

The land cover indicates that a large expanse of the municipality is natural grassland with isolated thickets, natural forest, agriculture and forestry. Urban settlement is centred around the town of Newcastle, which is sited across the boundaries of the Buffalo-Ngagane, Buffalo Local Municipality and the Ngagane catchments. The residential land use comprises informal land use as well as well-established medium to low cost housing.

Noxious industry is primarily situated within the Ngagane Catchment and the Additional Buffalo River Catchment where it intersects with the NLM. The industry comprises of ore beneficiation, power stations, steel manufacturing and chemical manufacturing. Mining is largely inactive in the area and isolated in the Ngagane and Buffalo Local Municipality catchments.

The potential contaminants associated with the non-point source land-use in NLM are limited given the extensive natural grassland. The isolated nature of agriculture practises, which could have impacts such as excessive nutrient loading and suspended particles, is not considered to be significant other than in the Buffalo River.

Industrial land use is likely to be the significant impact on water quality in the region. The potential contaminants include:-

- ☞ Heavy metals;
- ☞ Particulate matter;
- ☞ Organic contaminants;
- ☞ Soluble salts which translates into low oxygen levels;
- ☞ High turbidity;
- ☞ Increased levels of tropic sensitivity; and
- ☞ Elevated toxicity of water.

Furthermore, the issue of Acid Mine Drainage in the Ballengeigh area deserves the urgent intervention of authorities and a concerted effort involving relevant parties. This is noted as a possible source of both surface and ground water pollution both now and in years to come. The resultant impact is the applicability of water for agricultural, domestic and ecological use. Increased water treatment costs would also be realised to facilitate potable water.

3.3.9.2. QUALITY OF WATER

The DWA results within NLM indicate good water quality; however the quality of the river water is impacted upon by poorly performing WWTW or urban run-off with total coliforms and faecal coliforms. The industrial impact is not evident and seems to manifest through fluctuating levels of chemicals such as Fe, Mn, TDS and sulphate. This assessment of water quality is based on the current water quality data. However, following discussions with DWA and based on the potential contaminant sources, it is suspected that the impact may be more

pronounced should additional variables be analysed especially along reaches of the Ngagane River.

The Ngagane River experiences the majority of the industrial impact with several noxious industries located within this catchment. Monitoring data from DWA suggests that an impact is occurring at sampling site 188866 (immediately downstream of Siltech operations). This is evident from TDS values deviating from upstream results and is likely associated with increased sulphate (494mg/l) content of the river from the ash dump or colliery yard in that area. These levels decrease downstream to an average of 235mg/l downstream of Arcelor Mittal Steel. The sulphate and TDS levels increase again following the confluence with the Ncandu River suggesting an impact, from either the Ncandu River, or a point source on the Ngagane River in this area.

3.3.10. GROUNDWATER

Groundwater quality is generally moderate to poor and often exceeding Class 1 of the Kempster Classification and this renders this resource mostly suitable for short-term use without sophisticated and costly treatment. There are a number of contributing factors to poor water quality, and based on the determinants exceeding Class1, the more probable sources are:-

- ☛ Poor or low rates of recharge;
- ☛ Mining activities, particularly coal mining;
- ☛ Local industry; and
- ☛ Farming activities.

Based on first order harvest potential calculations, groundwater has the potential to service the whole of the NLM basic water needs, and thus should be considered a valuable resource. Areas of particular sensitivity entail all the existing groundwater resources in relation to the potential yield they may deliver. Geological structures (faults, dykes and lineaments) that may act as preferential groundwater flow paths, and areas of high potential production and zones of potential recharge are also amongst area of particular sensitivity. Groundwater quality is typically moderate to poor, however, treatment may be required and costs to purify determinants (calcium, iron, and manganese) requiring treatment are typically manageable. Sources of increased quantities of particular determinants have not been established with any conviction. However, major sources of concern are mining activities, heavy industry, and urban areas which have a high probability of altering pristine groundwater conditions in a

significant manner. It is evident that there are instances of very significant groundwater supply potential when located in geo-hydrological favourable locations, and this figure is potentially inflated. Data deficiencies are a concern and meaningful statistical analysis is restricted. A full and comprehensive hydro-census study should be implemented for the whole of the Local Municipality.

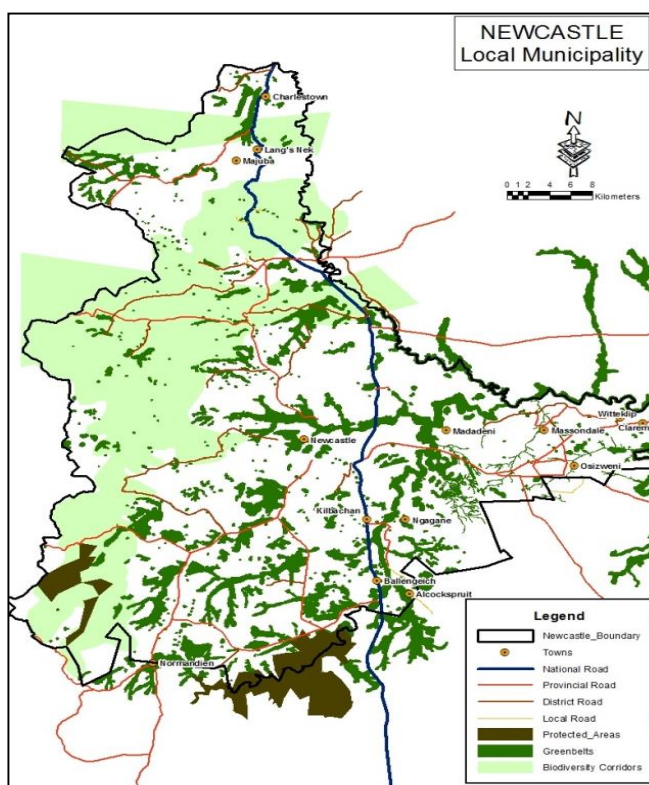
3.3.11. BIODIVERSITY ASSESSMENT.

3.3.11.1. STATUS OF VEGETATION.

Transformed land is mostly associated with cultivation, mining, urban and dense rural development, and the spread of alien trees. Although many of the 'natural' areas have been degraded to some extent, these could be classified as untransformed, i.e. the loss of biodiversity was likely to be minimal. In all, approximately 50% of the area could be classified as transformed.

Land that has been transformed is likely to have lost a large number of plant species, as well as most of the larger mammals that previously occurred in the area. Conversely the man-made irrigation dams and the wetlands that feed them might still contain a significant number of species, including some of high conservation significance. The wetlands are also likely to be important corridors for dispersal of many water-dependent species. With regards to the terrestrial component, it is highly likely that the transformed land is no longer functional as a corridor.

Map 6: Biodiversity Corridor.



The most apparent typologies of land cover within Newcastle are as follows:-

- **Grassland** – Most of the Western area in Newcastle is covered by grassland thus representing a larger percentage of the area's natural open space.

- ☛ **Commercial Agricultures** – Agricultures is the second largest land cover, dominated by dry-land cropping. The concentration of agricultural use patterns is mostly in the South of Newcastle.
- ☛ **Settlements** – The third largest land cover in Newcastle is that of the settlements, both urban and rural, and they occur mostly in the West, Central and Eastern parts of Newcastle. These patterns are mostly associated with high levels of landscape fragmentation and degradation thereof.
- ☛ **Plantations** – Commercial timber plantations have changed the landscape in the Western parts of the area and in the area around Hilda in the North of Newcastle.
- ☛ **Dense Bush** – This is mostly land cover that includes natural bush and invasive plant species.
- ☛ **Mining and Quarries** – Such land cover is arranged in a scattered pattern of mining and quarrying activities.

3.3.11.2. BIODIVERSITY CORRIDORS

Aerial images were examined for assessing important ecological corridors, which are required for facilitating migration of fauna and flora in the long term. Emphasis was placed on untransformed land that spanned three or more of the Mucina & Rutherford (2006) vegetation types (The assumption in this exercise was that vegetation in good condition would have high floral diversity, thus having the potential to function as corridors and to support high faunal diversity).

While it was evident from the study that a number of areas with high levels of transformation were compromised as functional corridors, there were some contiguous stretches of vegetation that appeared to be viable. These spanned three or more vegetation types and were considered a priority for further investigation.

The only North-South axis that represented a viable corridor was along the Western boundary, but was confined to one vegetation type, namely the Low Escarpment Moist. This area has maintained a relatively untransformed vegetation condition due to the high elevations of between 200 m and 1800 m above sea level, and relatively inaccessible terrain.

The assumption was that East-West orientation of corridors was likely to be more effective, as this would encompass a significant portion of the topographic diversity and resultantly, water catchments and habitat diversity. In the case of both the recommended corridors,

altitude ranged from about 2100 metres above sea level in the West to 1500 metres in the East, over a distance of under 15 km.

3.3.11.3. SUITABLE LAND FOR AGRICULTURE

The agricultural categories listed below entail the distribution of agricultural land within NLM. Such categories are also a representation of the ability of an area to produce food under the application of recommended practices on a sustainable basis:-

- ☛ Category A – Irreplaceable Land: This category of land is regarded as **high to very high potential agricultural land** hence necessitating its conservation strictly for agricultural use in order to ensure national food security. Within KZN in general, this category of land cover is limited which thus means there is a need for the introduction of efforts directly focused on retaining such land for food production. Land in Category A has no or very few limitations to agricultural production and can support intensive arable cropping systems. Such land also contains “unique agricultural land” which is essentially land that may be used for producing specific high-value crops. This type of land is important for agriculture due to a specific combination of factors such as location, climate and/or soil properties that make it highly suited for a specific crop when managed with specific farming or conservation methods. Most of the area West of Newcastle, specifically along the boundary, is endowed with Category A agricultural land.
- ☛ Category B – Threatened Land: Category B is regarded as **moderate to high potential agricultural land**. It is also of a scarce nature within the wider KZN hence necessitating its conservation. Land within this category has produce sustainably in the long term with few limitations to agricultural production. Concentration of Category B agricultural land is also mostly West of Newcastle.
- ☛ Category C – Primary agricultural land: Such land is regarded as land with **moderate to low agricultural potential**, on which significant interventions will be required to achieve viable and sustainable food production even though agriculture is still the majority land use in the rural landscape. Such land is limited in terms of annual arable land and thus may be used for purposes to support livestock production i.e. grazing land. The conservation of Category C land is of crucial importance in order to ensure the conservation of higher potential agricultural land categories through acting as a buffer. The concentration of Category C land in NLM is found immediately West of Newcastle’s urban edge with grazing being the predominant land use.

- ☛ Category D – Secondary agricultural land use: This form of land is regarded as land with **low agricultural potential** and it requires severe interventions in order to enable sustainable agricultural production such as terracing, contours, high levels of fertility correction etc. There is minimal amounts of such land within Newcastle and it can be found further South of the Madadeni residential township, and upper North towards Amajuba forest.
- ☛ Category E – Mixed land use: Such land is regarded as land with **limited to no potential for agricultural production**. However, such land may be applicable to conservation due to its tourism status depending on its location. Such land in Newcastle is largely concentrated around and/or within the urban edge.

3.3.11.4. AIR QUALITY

A study has been conducted with purpose of assessing the air quality in order to determine the sensitivity of the airshed, the pollution sources of the area and the sensitive receptors. The 'airshed' is the geographic area or a region within which an air pollution problem is largely contained due to the combined effect of the topography and local atmospheric conditions. According to the Environmental Management Framework for NLM (2015), the following is noted:-

Newcastle's central business district is situated in the valley and suffers from poor dispersion conditions during the winter months. As a result, the city suffers short-term pollution episodes. Lower lying areas that are affected include commercial, residential and industrial land uses.

☛ Current air pollution sources of concern:

- Industrial activities (criteria pollutants and others);
- Waste facilities (dust);
- Off-site agriculture (dust, herbicides and pesticides); and
- Transport routes (criteria pollutants).

The ambient air quality of Newcastle is slowly deteriorating to insignificance and interventions are drastically needed in order to improve the quality of the air. This may also be largely due to the current landfill site which has reached the saturation level. The poor planning measures that accrue to the apartheid government were characterised by the prioritisation of land for industrial development in close proximity to where air quality

impacts are likely to be greatest. In simple terms, the proximity of industrial areas to the settlements is alarming. According to the National Framework for Air Quality (2012), in 2007, the air quality rating of Newcastle was classified as potentially poor. This rating basically meant that air quality may be poor at varying instances and therefore rendering the area a priority for support in terms of air quality management.

Based on the Environmental Management Framework for NLM (2015), Newcastle may either be Class 3 Air Quality Area (Alert Area) or a Class 4 Air Quality Area (Transitional Compliant Area). The following is applicable to Class 3 and Class 4 areas respectively:-

- ☛ Class 3 Air Quality Area (Alert Area): Newcastle is an area that is Section 24 compliant whereby there's no harm to health or well-being of the citizens due to the air quality. It is also an area where ambient air quality remains within the standards, but sustained air quality management interventions is required in order to, at least, maintain or improve this situation.
- ☛ Class 4 Air Quality (Transitional Compliant Area): Air Quality is not Section 24 compliant meaning there's possible harm to health and well-being of the citizens of Newcastle. This type of air quality is applicable in areas whereby ambient air quality represents a possible threat to health and well-being and requires immediate and sustained air quality management interventions to, at least, bring there are into compliance with the standards within agreed time frames.

However, improved monitoring measures have been implemented within Newcastle in order to specifically determine the classification of Air Quality within Newcastle and these entail a broad and coordinated framework that uses modern monitoring instruments including a monitoring station in Newcastle. The Amajuba District Municipality is currently in the process of preparing and Air Quality Management Plan for the District. This initiative will include a comprehensive source inventory of emission data, meteorological data and supplementary data to inform constraints and opportunities of air quality in Newcastle.

3.3.11.5. CLIMATE CHANGE

The following entails different climate change definitions with the common factor between the various definitions relating to 'changes in the temperature of the earth's surface':-

- ☛ **National Climate Change Response White Paper:** "Ongoing trends of changes in the earth's general weather conditions as a result of an average rise in temperature of the earth's surface often referred to as global warming."

- ☛ **IPCC Working Group II Assessment Report V:** “A change in the state of the climate that can be identified by changes in the mean and/or the variability of its properties, and that persists for an extended period, typically decades or longer.”
- ☛ **United Nations Framework Convention on Climate Change (UNFCCC):** “A change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.”

Climate change is caused by both natural and human activities even though human activities are regarded as the biggest perpetrators of the phenomenon. Climate change variability due to natural causes entails changes in solar radiation, earth’s orbit around the sun, changes in volcanic activity, regional patterns of climate variability, cyclical changes in the solar radiation, natural carbon cycle processes, greenhouse effect, and volcanic eruptions (short-term effect on climate change). Climate change variability due to human activities entails burning of fossil fuels (domestic and commercial) which results in increases in the amount of greenhouse gases within the atmosphere i.e. water vapour, carbon dioxide (CO₂ – 50%), Methane (CH₄ – 18%), Nitrous Oxide (N₂O – 6%), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur Hexafluoride (SF₆). Furthermore, aerosols, land use changes and development thereof (deforestation), and agricultural activity (overgrazing) also contribute to climate change.

The increased concentration of greenhouse gases within the atmosphere enhances the greenhouse gas effect and the process of climate change is described below:-

- ☛ Step 1: Sunlight passes through the atmosphere and warms the earth’s surface.
- ☛ Step 2: Infrared radiation (IR) is given off by the earth.
- ☛ Step 3: Most of the infrared radiation (IR) escapes to outer space allowing the earth to cool.
- ☛ Step 4: Some of the infrared radiation (IR) is trapped by gases in the air (including CO₂) thus keeping earth warm enough to sustain life.
- ☛ Step 5: An increased concentration of infrared radiation (IR) trapped by the gases offsets the ‘enhanced greenhouse effect’ causing the surface to heat up even more.

3.3.11.6. IMPACTS OF CLIMATE CHANGE

Climate change impacts entail the negative marked effects of climate change to the overall environment and these are as follows:-

- ☛ Higher maximum temperatures (more hot days and heat waves);
- ☛ Lower minimum temperatures (fewer cold days and cold waves);
- ☛ Higher intensity precipitation separated by longer intervals (hurricanes and floods);
- ☛ Increased summer drying resulting in droughts;
- ☛ Higher wind speeds;
- ☛ Increased flooding due to the El Nini effect;
- ☛ Sea level rise;
- ☛ Loss of ecosystems and species biodiversity;
- ☛ Decreasing agricultural activity hence threatening food security;
- ☛ Damage to infrastructure (i.e. Roads); and
- ☛ Increased rate of extinction for many habitats and species.

3.3.11.7. MITIGATING CLIMATE CHANGE

Climate change mitigation entails efforts towards reducing or preventing human emission of greenhouse gases (GHGs) and these are as follows:-

- ☛ Introduction of new technologies;
- ☛ Changing consumer behaviour through climate change awareness initiatives;
- ☛ Integrated transportation systems (i.e. Bus Rapid Transit system (BRT), revival of the rail system for the movement of both passenger and goods);
- ☛ Introduction of pedestrian walkways and/or bicycle lanes;
- ☛ Conservation of natural carbon sinks i.e. forests;
- ☛ Introduction of new carbon sinks through green agricultural initiatives and the planting of trees;

- ☛ Introduction of mitigation policies from a municipal perspective i.e. air quality bylaws;
- ☛ Use of low-carbon energy sources i.e. renewable energy, nuclear energy;
- ☛ Improved insulation of buildings; and
- ☛ Climate change infrastructural engineering.

3.3.11.8. CLIMATE CHANGE ADAPTATION

Climate change adaptation refers to the anticipation of adverse effects of climate change and taking the appropriate action to prevent or minimise the damage they can cause, or taking advantage of any opportunities that may arise, if any, and the following entails some of the adaptation measures:-

- ☛ Use of scarce water resources more efficiently at household level through innovative water storage and conservation techniques;
- ☛ Adapting building architecture to future climate conditions including extreme weather conditions;
- ☛ Building flood defences and raising the levels of watercourses;
- ☛ Development of crops that are drought-resilient through advanced agricultural techniques;
- ☛ Conservation and protection of ecologically significant corridors in order to promote species migration;
- ☛ Providing communities with information that will inform profound decision-making at household level;
- ☛ Planting of forestry that is more resilient to storms and veld fires;
- ☛ Development of waste recycling centres and the creation of value from waste;
- ☛ Expanded rain-water harvesting; and
- ☛ Soil-erosion control including soil protection through the planting of trees and shrubs.

3.3.11.9. VULNERABILITY TO CLIMATE CHANGE

Climate change vulnerability is basically a function of the character, magnitude and rate of climate variation to which an area is exposed, including its sensitivity, and adaptive capacity and below is a list of some vulnerabilities to climate change:-

- ☛ Insufficient coping strategies with regards to disaster management;
- ☛ Poor quality of the health facilities;
- ☛ Lack of information within the communities;
- ☛ Poor communication mechanisms;
- ☛ Informal settlements built on flood planes;
- ☛ Poor stormwater management system; and
- ☛ Low productivity of agricultural land coupled with poor knowledge of agricultural systems, particularly within indigenous people.

3.3.11.10. CLIMATE CHANGE IN NEWCASTLE

The majority of rainfall within Newcastle falls during summer within the October and March period. Peak rainfall falls within the November and January period. The winters are very cold and dry and they fall within the April and September period. The Mean Annual Evaporation within the area is approximately 1 452mm with the periods October to April having an Average Evaporation of 140mm. The Mean Monthly Precipitation is approximately 874mm with the periods November to March having an Average Monthly Precipitation of 128mm. In general, the distribution of rain and temperature is highly influenced by the height above sea level. Within Newcastle, the highest rainfall occurs within the Newcastle-West area where altitudes are high and this area is also characterised by cold temperatures. We experience a decrease in the amount of rainfall received as we move towards the Newcastle-East area where there's also higher temperatures.

Based on the 2007 SAWS data, the maximum hourly average temperature recorded was 34.9 °C (February and March 2007) and the minimum temperature recorded was -4.1 °C (May 2007) with the average temperature for the area being 17.6 °C. Due to global warming and the changes in the climate thereof, resulting in changes in the local patterns of climate variability. The Environmental Management Framework Report (2015) states that climate change projections for this region indicated wetter than average conditions with higher

average conditions with higher average annual and summer rainfall and fewer days with low flow and an increased occurrence of extremes of dry and wet spells.

With regards to flooding, historical records have shown that extreme flood events have occurred in Newcastle at regular intervals throughout the last century. Such floods have had an impact on the land uses, the communities and the environment. The Ncandu and the Ngagane Rivers have regularly burst their banks due to the high levels of precipitation. It is thus safe to say that the occurrence of such events shall persist within the future with the severity of such extreme events likely becoming more noticeable in the future primarily based on an increase in population growth and spatial development.

Another issue of great concern which might also result in the possible exacerbation of the effects of climate change is the degradation of the natural habitat. The natural systems such as floodplains and wetlands are in continuous threat from the illegal settlements that develop in such features. This is not only an issue to the natural environment but it is also a hazard to the well-being of the communities that reside in such areas as some illegally settle on floodplains.

3.3.11.11. NEWCASTLE CLIMATE CHANGE STRATEGIC INTERVENTIONS

- ☞ Development of the Environmental Management Framework.
- ☞ Development of the Air Quality Study.
- ☞ Implementation of the Integrated Waste Management Plan.
- ☞ Water Conservation and Demand Management (including awareness campaigns).
- ☞ Development of a recycling centre (garden refuse drop-off centre).
- ☞ Effective Land Use Management System for conservation and protection of areas of ecological significance.
- ☞ Introduction of outdoor gym equipment within active public open spaces (children play parks).
- ☞ Electrification of rural settlements in order to reduce reliance on the burning of fossil fuel (i.e. coal).
- ☞ Introduction of water and electricity smart meters in order to reduce the rate of water and energy consumption within households.

3.3.11.12. PRIORITY MANAGEMENT AREAS

The condition of biodiversity in the Newcastle Municipality relative to the provincial ecological statistics suggests that almost 50% (approximately 42%) of the provincial vegetation type referred to as Low Escarpment Moist Grassland is located within the Newcastle Municipality. Although this vegetation type is relatively untransformed (20% transformation) in the municipality and is therefore least threatened, the fact that it houses a large percentage of the provincial vegetation type confers high management significance for this area of biodiversity. The analysis also indicates that the endemic Northern KwaZulu-Natal Moist Grassland, the near endemic Income Sandy Grassland, and the Northern Zululand Sourveld are significantly transformed in the municipality and thus all three vegetation types are recommended as critically endangered in the municipality. The biodiversity analysis results need to be translated into management areas on the ground and management actions. The key vegetation areas that are threatened are the Northern KwaZulu-Natal Moist Grassland, KwaZulu-Natal Highland Thornveld, and the Income Sandy Grassland.

3.3.12. SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Clusters of forests along Western cliff of plateau region. • Agriculture contributes significantly to the LED, household income and food security. • Mining is a major contributor to GDP, LED income. • Large wetland areas with tourism potential. • Baseline Water Quality is relatively good. • Beautiful landscapes of scenic significance. • Climate conditions favourable for agric-hub. • Large water catchment area. • Direct involvement of KZN Dept. of Agricultural and Environmental affairs in the agricultural sector. • Good system of open spaces. 	<ul style="list-style-type: none"> • Large Scale of alien infestation. • Most abandoned coal mines are high risk areas. • Waste treatment infrastructure is under pressure and needs upgrading. • Landfill facility needs better management and rehabilitation. • Some residential zones have developed in close proximity where air quality impacts are likely to be greatest. • Lack of environmental education. • Lack of qualified environmental planners dealing with environmental issues. • Lack of air quality study
OPPORTUNITIES	THREATS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Eradicating alien plants and creating job opportunities at the same time. • Rehabilitation of degraded land in MBO area. • Investigate, rehabilitate and revert mining areas to alternative land uses. • Establishing biodiversity conservation corridors along Western highland plateau region. • Improve infrastructure to address infrastructure backlogs which might impact negatively on the environment. • Formalization and upgrading informal settlements. • Relocation of settlements located in high risk areas such as floodplains. • Opportunities for small and emerging farmers. 	<ul style="list-style-type: none"> • Large scale loss of biodiversity. • Settlement, industrialization & mining threaten biodiversity. • Loss of good agricultural land to settlement, mining & industry. • Mining impacts on water quality. • Need for new landfill site. • Illegal mines pose a health and safety risk. • Informal and illegal dumping sites. • Poor agricultural practises in some instances.

3.3.13. DISASTER MANAGEMENT

Like most other areas within the lovely KwaZulu-Natal Province, Newcastle is also prone to a wide range of natural and man-made risks and hazards that, in some instances, may result in disasters. These mainly include floods and fires which occur during any part of the year usually resulting in serious damages, costs, loss of life and/or property, infrastructure and economic livelihoods. NLM's Disaster Management Plan is currently being developed through close engagements with the established stakeholders in the form of the Disaster Management Advisory Forum. Upon completion the plan is envisaged to outline the basic concepts and principles related to disaster management, as well as common hazards and risks, and roles and responsibilities of all stakeholders involved in disaster risk reduction. The main focus of the plan is towards disaster risk reduction, and it is currently being prepared in line with the requirements of the Disaster Management Act (Act No. 57 of 2002) which seeks to provide a uniform and multi-disciplinary approach in the management of disaster incidents in the province with specific emphasis on prevention, mitigation, preparedness and rapid response.

For the development of an efficient and effective disaster management plan, the programmes and strategies recommended towards disaster risk reduction should entail awareness campaigns, risk assessments, improving institutional reduction arrangements and poverty

reduction plans, training programmes and research. The recommended response systems include early warning signals, regional response units and food security monitoring. The Disaster Management Advisory Forum is of critical importance for the development of an efficient Disaster Management Plan which plays a big role thus to ensure inclusivity and collective ownership of responsibility in line with the spirit of cooperative governance. The plan shall be used as a tool by departments, institutions and/or organizations through the alignment of their development plans with the Disaster Management Plan. This will be done by the plan through the following:-

- ☛ Identification of specific risks and hazards.
- ☛ Identification of measures for the reduction of disaster risks.
- ☛ Outlining of the roles and responsibilities in the management of disaster incidents.

The Honourable Mayor of Newcastle is the custodian of the Disaster Management Plan and is responsible, through supporting departments, especially **Community Services: Fire and Disaster Management**, to regularly review and update the plan. The overall vision of the plan is “Towards cutting-edge disaster risk management for safer and resilient Newcastle communities.” The plan will also contain a disaster risk profile of the Newcastle Local Municipality thus to identify potential areas.

The NLM Disaster Management Plan is currently being developed in line with the requirements from the Disaster Risk Management legislation. The development thereof is guided by the NLM Disaster Management Advisory Forum which was established on the 12th of February 2013 and sits quarterly in line with the National and Provincial legislation. Discussed in the forums are issues such as disaster risk profiling, the objectives towards the KPAs, the related budget requirements, an analysis on climate change, mitigation and adaptation initiatives etc. These are crucial for the development of a comprehensive Disaster Management Plan that functions to give a true reflection of the Disaster Management conditions in Newcastle including the state of readiness. Therefore, the NLM Disaster Management Plan is still undergoing a process of being developed.

Part of the requirements towards development of a comprehensive disaster management plan entailed the establishment of a forum with the intension being to hold quarterly meetings with all stakeholders. The Forum was established to satisfy the recommendations as stated in the Disaster Management Act (Act No. 57 of 2002); National Disaster Management Framework of 2005 as well as the Policy Framework for Disaster Risk Management. However, there is still non-existence of the Disaster Management Inter-

Departmental Committee and this is attributed to a general lack of understanding and application of the relevant legislation.

Below is the composition of the Newcastle Fire and Rescue Services Stations and personnel:

STATION	FIRE MANAGEMENT	FIRE FIGHTERS	CONTROL ROOM
Newcastle	1x Acting Chief Fire Officer.	X24 Fire Fighters.	4x Control Room Operators.
	1x Divisional Officer.		
	1x Station Officer.		
	1x Control Room Supervisor.		
Madadeni	1x Acting Station Officer.	11x Fire Fighters.	
Osizweni	1x Station Officer.	13 Fire Fighters.	

NLM is part of the Amajuba District Fire Technical Task Team which normally holds meeting for strategic planning twice a year. NLM has also established formidable relations with NGO's, CBO's, Government and Private Sector stakeholders comprising Farmers Associations, Arcelor Mittal, Karbo-Chem, etc.

The table below shows a list of Priority Risks/Hazards within NLM jurisdictional areas and these surfaced during the intensive engagements with relevant stakeholders:-

DRAFT RISK PRIORITIZATION				
HAZARD	EXPOSURE	SEVERITY	PROBABILITY	ACTIONS NEEDED
Fires.	Continuous.	Moderate.	Definitely.	Risk Reduction Interventions.
Motor Vehicle Accidents (MVA).	Continuous.	Moderate.	Definitely.	Effective Law Enforcement.
Floods.	Seasonal.	Moderate.	Definitely.	Preparedness Planning.
Hail Storm.	Seasonal.	Insignificant.	Definitely.	Preparedness Planning.
Illegal Mining.	Continuous.	Extreme.	Likely.	Risk Reduction Intervention.
Air Pollution.	Continuous.	Moderate.	Likely.	Preparedness Planning.
Water Pollution.	Continuous.	Extreme.	Likely.	Risk Reduction Intervention.
Snow.	Occasional.	Insignificant.	Unlikely.	Preparedness Planning.
Drought.	Occasional.	Moderate.	Likely.	Preparedness Planning.
Aircraft Accidents.	Seldom.	Extreme.	Likely.	Preparedness Planning.
Cholera.	Continuous.	Extreme.	Likely.	Risk Reduction Intervention.
Food Poisoning.	Continuous.	Moderate.	Likely.	Preparedness Planning.
Swine Flu.	Seldom.	Moderate.	Likely.	Preparedness Planning.
Anthrax.	Seldom.	Insignificant.	Unlikely.	Preparedness Planning.
Rabies.	Seldom.	Moderate.	Unlikely.	Preparedness Planning.

Below is a list of programmes and projects towards disaster risk reduction.

NAME OF PROJECT	BUDGET	TARGETED AREAS	DATE
Installation of Electricity: Taxi Rank.	R 26 000,00	Taxi Rank.	2015/16
Access Control.	R 1 400 000,00	Municipal Building and Taxi Rank.	2015/16
Pool Safety Equipment.	R 80 000,00	All Municipal Swimming Pools.	2015/16
Establishment of Animal Pound.	R 235 000,00	Stray animal around NLM	2015/16
Road Traffic Signs.	R 300 000,00	P483, Asiphephe Drive	2015/16
Fire and Rescue Equipment	R 300 00,00	All MVA's and Fire Related incidents.	2015/16
Roads and Storm-water Projects.	R 12 00 000, 00	Ward 11, 13, 20, 28	2015/16

Widening of Asiphephe Road	R 6 000 000,00	Ward 20	2015/16
Osizweni E&F	R 4 500 000,00	Ward 28	2015/16
Provision of basic sanitation services to Charlestown.	R 5 000 000,00	Ward 1	2015/16
Provision of basic sanitation services to Ingogo.	R 5 000 000,00	Ingogo	2015/16
Blaauwbosch water project.	R 6 000 000,00	Ward 25	2015/16
H39 Housing Project Bulk Infrastructure	R 6 000 000,00	H39	2015/16
Guttenberg Storm-water	R 2 000 000,00	Riverside Industrial	2015/16
Water Pump	R 30 000,00	All Municipality	2015/16
Refurbishment of KwaMathukuza Sewerage Pump Station.	No funds indicated	No areas shown	No date shown.
Electrical Upgrade to Newcastle No. 1 Sewer Pump Station.	R 800 000,00	-	2016/17
Madadeni NO.2 Sewer Pump Station Upgrade	R 300 000,00	Madadeni	2015/16
Rehabilitation of Dongas	R 1 600 000,00		2015/16 2016/17 2017/18
Water Storage Tanks	R 50 000,00		2015/16 2016/17 2017/18
Street Lighting Mast	R 5 00 000,00		2015/16 2016/17 2017/18

Furthermore, Warning Strategy has also been developed with the implementation composed of the Departmental Head of the Newcastle Disaster Management, NLM Public Relations Officer, Emergency Communication Centre, and the NLM Communications Officer. The strategy also makes room for Education, Training, Public Awareness and Research through either one of the following measures:-

- ☛ Public awareness campaigns;
- ☛ Continuous community Based Awareness Campaigns that involve relevant stakeholders;
- ☛ The NLM's Disaster Management HOD has the responsibility to commission disaster related scientific studies and should focus on risk assessment and scientific input towards risk assessment within the municipality; and
- ☛ Political and administrative buy-in is required for effective and efficient management.

The following table entails NLM Disaster Management Funding Mobilization Strategy:-

ITEM	VOTE NUMBER	BUDGET ALLOCATION
Emergency Services (Disaster Management)	020260020242	2015/2016 = R 1 033 815.00
		2016/2017 = R 1 094 842.00
		2017/2018 = R 1 098 342.00

3.4. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

3.4.1. MUNICIPAL TRANSFORMATION

3.4.1.1. EMPLOYMENT EQUITY

During the last financial year the municipality developed a new Employment Equity Plan which was approved by Council on September 2012. The Employment Equity Plan was aimed at addressing the injustices of the past through the promotion of affirmative action and gender equity for the previously disadvantage people. According to this plan, substantial progress has been made with regards to affirmative action. Table 8 below indicates the distribution of staff according to gender and occupation level in the organogram.

Table 13: Staff Breakdown by Gender.

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	13	0	0	2	1	0	0	1	0	0	17
Senior management	18	0	2	1	8	0	2	2	0	0	33
Professionally qualified and experienced specialists and mid-management	21	1	3	7	22	1	2	8	0	0	65
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	70	9	20	26	67	3	10	26	0	0	231
Semi-skilled and discretionary decision making	134	0	14	5	61	3	15	13	0	0	245
Unskilled and defined decision making	328	5	12	1	140	1	0	0	0	0	487
TOTAL PERMANENT	584	15	51	42	299	8	29	50	0	0	1078
Temporary employees	63	3	3	4	34	0	9	9	0	0	125
GRAND TOTAL	647	18	54	46	333	8	38	59	0	0	1203

The NLM has a total staff complement of 1203 people. 1078 of these are permanent while only 125 are temporary employees. The management (section 57 employees) comprises of four males and one female. This indicates a need for the transformation of this layer of management to include females and where possible the disabled as well. The gender composition for Post Level 1 – 3 is as follows:-

- ☛ 25 African Males and 9 African females.
- ☛ 2 Indian Males and 2 Indian females.
- ☛ 0 Coloured Male and 0 coloured female.
- ☛ 3 White Males and 3 white females.

3.4.1.2. NEWCASTLE TURN AROUND STRATEGY

Newcastle Municipality has prioritised the following as part of the Municipal Turnaround Strategy:-

- ☛ Service Delivery (maintenance of the existing levels of infrastructure and the rehabilitation thereof, including addressing various service backlogs);
- ☛ Fast Track Sustainable Human Settlements through the Housing and Rural Development Program;
- ☛ Develop a Consolidated Infrastructure Plan and Capital Investment Plan for implementation;
- ☛ Debt Management – increase the payment factor thus for Revenue Enhancement, Debt Control and Revenue Collection;
- ☛ Integration and Co-ordination (Establishment of Economic Forums);
- ☛ Clean Audit by 2015;
- ☛ Intergovernmental relations;
- ☛ Identify infrastructure that supports economic development;
- ☛ Development of the Communication Strategy; and
- ☛ Halving poverty and unemployment by 2015.

3.4.2. ORGANISATIONAL DEVELOPMENT

3.4.2.1. POWERS AND FUNCTIONS

The powers and functions of the Newcastle Municipality are derived from the Constitution of the Republic of South Africa and a range of local government legislation, and could be summarised as follows:-

3.4.3. POWERS AND FUNCTIONS

The following Local Government Powers and Functions as authorized to Newcastle Municipality were separated into core and non-core functions. Further allocation of powers and functions is elaborated on under institutional arrangements section.

Table 14: Core/Primary Functions.

Core/Primary		Capacity to implement (MDB)	Proposed intervention
Schedule 4 Part B	Building Regulations	Yes	None
	Electricity and Gas Reticulation	Yes	None
	Fire Fighting Services	Yes	None

Core/Primary		Capacity to implement (MDB)	Proposed intervention
	Municipal Planning	Yes	None
	Storm water Management systems in Built up areas	Yes	None
	Water and Sanitation Services	Yes	Await recommendations from MEC on intervention
Schedule 5 Part B	Cemeteries	Yes	None
	Cleansing	Yes	None
	Municipal Roads	Yes	None
	Refuse Removal, refuse dumps and solid waste disposal	Yes	None
	Street lighting	Yes	None
	Traffic and parking	Yes	None

Table 15: Non-core Powers and Functions.

	Non-core /Secondary Functions		
Schedule 4 Part B	COMMENT FROM MDB(District Wide)	Schedule 5 Part B	COMMENT FROM MDB(District Wide)
Air Pollution	None	Beaches and Amusement Facilities	Not or being poorly performed
Child Care facilities	Not or being poorly performed	Billboards and the display of advertisements in public places	None
Municipal Airports	Not or being poorly performed	Control of undertakings that sell liquor to the public	Not or being poorly performed
Municipal Health Services	None	Facilities for the accommodation, care and burial of animals	Not or being poorly performed
Municipal Public Transport	Not or being poorly performed None	Fencing and fences	None
Municipal Public Works	None	Licensing of dogs	Not or being poorly performed
Pontoons, ferries, jetties etc	Not or being poorly performed	Licensing and control of undertakings that sell food to the public	Not or being poorly performed
Trading Regulations	Not or being poorly performed	Markets	Not or being poorly performed
Local Tourism	Being poorly performed	Municipal Abattoirs	Not or being poorly performed
		Noise Pollution	Not or being poorly performed
		Pounds	Not or being poorly performed
		Public Places	None
		Street Trading	None
		Control of public nuisances	None
		Local Sports facilities	None
		Municipal parks and recreation	None
		Funeral parlours and crematoria	None

Newcastle Municipality has developed sufficient in-house capacity to perform all the core functions. None core functions are performed with the assistance of various government departments and other service delivery agencies e.g. Eskom. There is a need to initiate the

process of clarifying roles and responsibilities of all internal and external stakeholders in respect of Powers and Functions at all levels. This has accordingly been prioritised in the NNTAS.

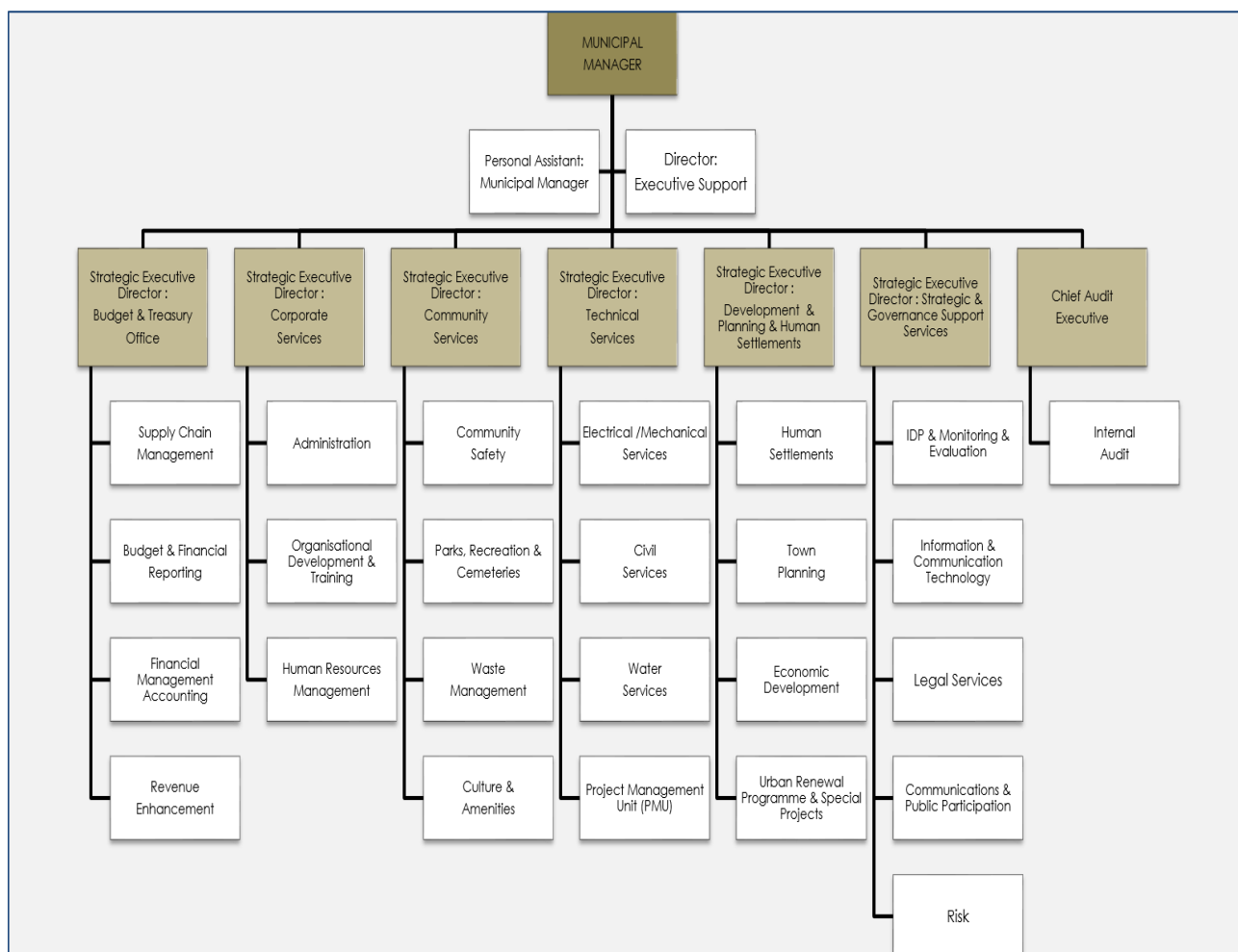
In order to maximise administrative and operational efficiency, all powers subject to section 32 of the Local Government: Municipal Structures Act 1998, not otherwise delegated, have been delegated to the Executive Committee excluding the following:-

- ☛ Approval of an Integrated Development Plan;
- ☛ Passing of by-laws;
- ☛ Approval of budgets;
- ☛ Imposition of rates and other taxes, levies and duties; and
- ☛ Raising of loans.

In respect of the water and sanitation service – this service is rendered through a Water services provider (uThukela Water Pty Ltd) with the Municipality serving as the Water Services Authority. The Amajuba District function being performed by the municipality is the Environmental Health Function and arrangements regarding the transfer of the function to the District are in progress.

3.4.3.1. ORGANOGRAM

Figure 13: Organogram of the Office of the Municipal Manager.



The revised organogram illustrated above was approved by Council in the year 2015 and it makes provision for a Municipal Manager, and 7 departments under each Strategic Executive Director (SED). IDP falls under the SED for Strategic and Governance Support together with other departments including Monitoring and Evaluation, Information and Communication Technology, Legal Services, Communications and Public Participation, and Risk Management. The revised organogram is structured for effective delivery of municipal services and support to governance structures. The Council has made a provision for the filling of vacant critical positions through budget allocations starting with senior positions. Consequently, the process of filling vacant positions for SEDs and senior management is currently underway, and will also see the absorption of women in senior positions including the Strategic Executive

Director positions. However, challenges are being experienced with regards to scarce skills in most of the municipal departments due to staff losses. However, the municipality has recruited a number of interns, a move supported by the DBSA as part of the Skills Development Program.

The organogram makes provision for Environmental Planners within the Department of Development Planning and Human Settlements. Funds have been made available to fill all the critical positions including the Environmentalists. This department has a huge role to play in ensuring that the municipality plans while taking the environment into consideration and promotes sustainable development within the city. The Environmental Management (Waste Management) Services exists within the Department of Community Services. This department renders services of ensuring that the city remains clean at all times and promotes a sustainable living environment.

As a result, Newcastle Municipality has continuously placed itself on the map by achieving various accolades, ranging from the best Mayor, most innovative technology (going paperless), cleanest town in the Province for three consecutive times and second Nationally and most recently the Govan Mbeki Award, Level 2 Accreditation.

The new organogram promotes the practice of good governance and maximizes the exercise of economic, political and administrative authority to manage the affairs and development needs of communities within Newcastle. The new structure makes provision for a new strategic position with the aim of enhancing efficiency with attention not only given to recruiting the right caliber of employees and managers but also on developing current staff members which will enable the municipality to produce and deliver services in an effective and efficient manner.

3.4.3.2. STAFF BREAK-DOWN

As of 2012, the Municipality had a staff complement of 1203 people, servicing areas of Newcastle, Madadeni, Osizweni, Blaauwbosch, Ngagane, Kilbarchan, and Charlestown. The ideal total for the establishment should be 2000. However, the micro structure is being reviewed as part the organisational restructuring process, and the staff complement could therefore increase to meet the service delivery challenges as highlighted in this IDP.

Table 16: Staff Complement by Function.

DEPARTMENT	NO. OF EMPLOYEES	MALES	FEMALES
Municipal Manager and Mayor's office	42	22	20
Corporate Services			

DEPARTMENT	NO. OF EMPLOYEES	MALES	FEMALES
- Administration	36	15	21
- Human Resources	22	9	13
Community Services			
- Culture & Amenities	241	164	77
- Protection / Community Services	452	304	148
Development & Planning			
- Town Planning	30	17	13
- Housing & Land	29	11	18
- Economic Development	11	8	3
Technical Services			
- Civil Services	182	126	56
- Electrical / Mechanical Services	66	54	12
Financial Services	92	35	57

The composition of senior management broadly reflects the demographic composition of Newcastle Municipality. One of the recently appointed SEDs is a female, which brings the female compliment of senior management to ten (10).

3.4.3.3. WORKPLACE SKILLS PLAN

Human Resources Division (HRD) has been successful in rolling out training programmes as per the Workplace Skills Plan. Employee representatives of almost all Departments have been sent to different workshops which address the skills gaps identified by their respective departments. The most interesting and fascinating training undertaken by Newcastle Municipality has been the Municipal Finance Management Program which has enrolled all senior managers from level three upwards. This was congruent with National Treasury, MFMA minimum competency regulation which compels municipal officials to enrol in this course in order to be efficient on the implementation of MFMA.

Some other interventions are done through the Determination of Training Needs. This training forms the bulk of all training that gets arranged. All 245 employees including councillors have been trained. This works out to 77.7% of 311 officials that were planned to be trained. Training areas covered a wide range of fields related to municipal administration and delivery of services.

3.4.3.4. HUMAN RESOURCE POLICIES

The following Human Resource policies and strategies are in place at the Newcastle Municipality:-

- ☛ Macro Structure – Restructuring Plan;
- ☛ Micro Structure – in progress;

- ☛ Human Resources Policy;
- ☛ Recruitment Policy;
- ☛ Overtime Policy;
- ☛ Subsistence and Travelling Policy;
- ☛ Cell Phone Policy;
- ☛ Sexual Harassment Policy;
- ☛ HIV/AIDS Policy; and
- ☛ Employee Assistance Programme.

3.4.3.5. LIST OF ALL THE COUNCIL ADOPTED POLICY

The following table illustrates the list of all the Council adopted policy of the Newcastle Local Municipality:-

Table 17: Council Approved Policy.

NAME OF POLICY	DATE OF APPROVAL
Parental Rights Agreement (SALGBC) – Ante-and-Post Natal Care Policy	2000
Grievance Procedures Policy	2002
Disciplinary Procedures Policy (Amendment)	2012
Leave Policy	01 January 2014
Housing Subsidy Policy	2003
Severance Pay Policy	2005
Hours of Work Policy	2002
Special Leave and Definition of Special Leave Policy	2004
Long Service Leave Policy	2000
Acting Allowance Policy	01 September 2014
Night Work Allowance Policy	2013
Standby Allowance Policy	2007
13 th Cheque Allowance Policy	2002
Overtime Policy	27 August 2008
Emergency Work Policy	2006
Legal Indemnification Policy	2004
Special Sick Leave Policy	2006
Probationary Employees Policy	2005
Vacancies Policy	2009
Employee Records Policy	2004
Banking Policy	2004
Salary Deductions Policy	2004
Outside Business Profession or Trade Interest Policy	2006
Trade Union Membership Policy	2002
Demotion Policy	2005
Medical Aid Scheme Policy	2003



NAME OF POLICY	DATE OF APPROVAL
Paying of Accumulated Vacation Leave and Salary Calculation Policy	2003
Termination of Service Policy	2001
TASK Job Evaluation SALGA Policy	2006
Attendance and Punctuality of Staff – SALGA Policy	2002
Cellular Phones Policy	2013
Mayoral Vehicle Policy	2007
Pool Vehicle – Guidelines on Municipal and Hired Vehicle Usage Policy	2006
Subs. Allow. Trips: Visits Outside the Country Policy	2004
Recruitment and Selection Policy	03 April 2003
S & T Policy	02 February 2009
Internship Programme Policy	26 March 2012
Involvement of Spouse: Official Business Trips Policy	2008
Official Attend. Of Memorial Services and Funerals Policy	2009
Stuff Study Bursaries Policy	26 August 2012
Smoking Policy	10 May 2005
Assistance with Household Removal Costs Policy	2004
Employee Equity and Affirmative Action Policy	26 September 2012
Transport Allowance Scheme Policy	October 2014
Access to Employee Files Policy	2002
Employee Promotion Policy	2004
Confidentiality Policy	2001
Security of Municipal Affairs Policy	2001
Use of Municipal Assets and Resources Policy	2008
Substance Abuse Policy	2000
Training and Development Policy	26 March 2012
Employee Wellness Policy	25 July 2007
Protective Clothing Policy	2008
Councillor Skills Audit Questionnaire and Policy	2006
HIV/AIDS Policy	25 July 2007
Sexual Harassment Policy	30 April 2003
Security and Access Control Policy	2002
Standby Allowance Policy	2003
Fleet Management Policy	2000
Council Owned Vehicles Policy – Mayor	02 May 2014
Council Owned Vehicles Policy – Deputy Mayor	02 May 2014
Records Management Policy	29 August 2012
Occupational Health and Safety Policy	25 November 1998
Batho Pele Policy	1999
Carnegie Art Gallery Trust Document	1999
Newcastle Municipality Framework for Performance Management	March 2015
Municipal Corporate Governance of Information and Communication Technology Policy	2013
Risk Management Policy	27 July 2011
Anti-Fraud and Corruption Policy	27 July 2011
Ward Committee Policy	29 May 2013

NAME OF POLICY	DATE OF APPROVAL
Home Based Business Policy and By-Laws	19 August 2014
Outdoor Advertising Policy and By-Laws	21 January 2015
Policy on the Placement of Shipping Containers on Areas Under the Jurisdiction of Newcastle Municipality	19 August 2014
Place Naming Policy	28 April 2014
Municipal International Relations: Twinning of Cities Policy	11 November 2003
Industrial Marketing: Policy on Marketing Activities	04 December 2002
Industrial Marketing: Incentive Policy for Newcastle	26 November 2002
Poverty Alleviation Policy	2009
Newcastle Informal Trading Policy and By-Laws	2013
Land Disposal Policy	11 March 2015
Housing Allocation Policy	2007
Real Estate Disposal and Acquisition Policy	11 March 2015
Acting Appointments Policy	
Borrowing Policy	
Budget Policy	
Cash Management and Investment Policy	
Customer Care, Credit Control and Debt Collection Policy	
Debt Write-Off Policy	
Fixed Asset Management Policy	
Funding and Reserves Policy	
Indigent Policy	
Overtime Policy	
Rates Policy	
Supply Chain Management Policy	
Tariff Policy	May 2014

3.4.3.6. INFORMATION TECHNOLOGY

Information Technology has become an important component of NLM in the quest to improve and transform the lives of communities, and to assist and enable other departments within the Municipality to render a quality service to stakeholders and the public at large.

Below are a couple of activities that have taken place since IT was incorporated into the NLM and the future they hold:-

-  **Network Infrastructure:** A data network ensures that the systems at the revenue collection points are always live. Rate payers do not have to be turned away because systems are offline and thereby causing them great inconvenience. This also results in poor cash inflows for the Municipality. NLM is committed to providing a stable and reliable network infrastructure for effective and efficient service delivery.
-  **Electronic Agendas:** This is an IT solution that the NLM adopted for the distribution of electronic agendas to EXCO with a view to cascade it to the entire Council, and

internally for the Bid and Portfolio Committees. NLM's long term view on this is the return on investment that will be seen from a decrease in printing and delivery costs, and Council's commitment to reducing our carbon footprint which is promoted to our stakeholders. COP17 has not gone unnoticed and the municipality will continue with developing such projects for the good of our environment.

- Website: NLM has taken a hands-on approach on the maintenance of the website. The municipality is legislated to publish policies and documents that directly affect the community; these are now published and updated frequently. A future total revamp of the NLM website is on the cards with the intention to create a more interactive and user friendly website that has a number of features. Such features will enable NLM and the users to view and publish stories from the community, publish events that affect our communities, view and pay municipal accounts online, view the online spatial map of Newcastle, view and pay traffic and parking tickets, view dam and water quality statistics, get access to efficient tourism information, and many other services. Accessibility of the website will be of great importance as NLM is also committed to providing these online services to special users like our senior citizens and younger children.

NLM has other projects that it intends to run which will bring real social transformation to the communities of Newcastle. These include a Customer Relations Management (CRM) system for members of the public to log their issues which will be cascaded to the relevant departments. Attendance to these will be tracked by way of email updates on progress to the users and reminders to the relevant department. This will not only make the municipality more effective but it will also increase efficiency because employees responsible for handling these calls will be made accountable.

As a way to bridge the digital divide in Newcastle, NLM will be introducing participation mechanisms to enhance communication, accountability, responsiveness, transparency and provide for active citizenship. This will be done through the provision of basic ICT Maturity e-governance services such as SMS alerts of council meetings, standing committees etc., ICT enabled customer satisfaction surveys, the provision of online payment of rates, utilities, traffic fines etc., SMS alerts for accounts due and service disruption warnings, electronic newsletter for the community. Successful implementation of this phase will see more of such e-governance services being offered to the community. In the future, the municipality plans to take advantage of the National Broadband Policy of South Africa which will guide NLM to ensure that all places in and around Newcastle have internet connectivity. Broadband infrastructure is central in achieving the goal of digital inclusion, enabling universal,

sustainable, ubiquitous and affordable access to ICTs by all, and providing sustainable connectivity and access to remote and marginalized areas within the NLM.

3.4.3.7. ICT POLICY FRAMEWORK

As a measure thus to ensure effective and efficient management of ICT resources and processes, NLM has recently developed a Municipal Corporate Governance of Information and Communication Technology Policy. In turn, this will aid the municipality in achieving the municipal goals and objectives. The main purpose of the policy is to align ICT functions to the organizational goals, minimise the risk ICT introduces and ensure that there is value in the investments made in ICT.

The view of the Newcastle Municipality is that ICT should be governed and managed at all levels within an organizational structure and this is also supported by internationally accepted good practice and standards. With regards to municipal operations, the policy places a very specific responsibility on the Council and Management within NLM in order to ensure that the decision making process for ICT remains transparent. Such measures enable the municipality to align the delivery of ICT services with the municipality's Integrated Development Plan's strategic goals.

ICT Governance is implemented in two different layers namely:-

- ☛ **Corporate Governance of ICT** – the governance of ICT through structures, policies and processes;
 - In terms of Corporate Governance of ICT, the current and future use of ICT is directed and controlled.
- ☛ **Governance of ICT** – through Standard Operating Procedures.
 - In terms of Governance of ICT, used are the individual processes and procedures which ensure the compliance of the ICT environment based on pre-agreed set of principles.

November 2012 marked the approval of the Public Service Corporate Governance of ICT Policy Framework by Cabinet. The Cabinet also made ICT applicable to National and Provincial Departments, Provincial Administrations, Local Governments, Organs of State and Public Entities for implementation by July 2014.

In order to meet the set requirement from the Cabinet, various government departments collaborated and developed the Municipal Corporate Governance of ICT Policy for application in the Local Government sphere. Such government departments entail the Western Cape

Department of Local Government, Department of Cooperative Governance (DCOG), Department of Public Service and Administration (DPSA), South African Local Government Association (SALGA), and the Western Cape Provincial Treasury.

The main purpose of the Municipal Corporate Governance ICT Policy is to institutionalise the Corporate Governance of ICT as an integral part of corporate governance within the Newcastle Municipality. This Municipal Corporate Governance ICT Policy provides the Municipal Council and Management with a set of principles and practices that must be complied with, together with an implementation approach to be utilised for implementation of ICT Governance.

The objectives of this Corporate Governance of ICT Policy for Newcastle Municipality seek to achieve the following:-

- ☛ Institutionalise a Corporate Governance of ICT Policy that is consistent with the Corporate Governance Frameworks of the Municipality;
- ☛ Aligning the ICT strategic goals and objectives with the Municipality's strategic goals and objectives;
- ☛ Ensuring that optimum Municipal value is realised from ICT-related investment, services and assets;
- ☛ Ensuring that Municipal and ICT-related risks do not exceed the Municipality's risk appetite and risk tolerance;
- ☛ Ensuring that ICT-related resource needs are met in an optimal manner by proving the organisational structure, capacity and capability;
- ☛ Ensuring that the communication with stakeholders is transparent, relevant and timely; and
- ☛ Ensuring transparency of performance and conformance and driving the achievement of strategic goals through monitoring and evaluation.

The following practices outlined in the table below have been assigned to specific designated municipal structures and officials in order to achieve the objectives and principles contained in this Municipal Corporate Governance of ICT Policy:-

Practice No.	Practices Description
1.	<p>The Municipal Council must:</p> <p>Provide political leadership and strategic direction through:</p> <ul style="list-style-type: none"> a) Determining policy and providing oversight; b) Take an interest in the Corporate Governance of ICT to the extent necessary to ensure that a properly established and functioning Corporate Governance of ICT system is in place in the municipality to leverage ICT as an enabler the municipal IDP; c) Assist the Municipal Manager to deal with intergovernmental, political and other ICT-related Municipal issues beyond their direct control and influence; and d) Ensure that the municipality's organisational structure makes provision for the Corporate Governance of ICT.
2.	<p>The Municipal Manager must:</p> <ul style="list-style-type: none"> a) Provide strategic leadership and management of ICT; b) Ensure alignment of the ICT strategic plan with the municipal IDP; c) Ensure that the Corporate Governance of ICT is placed on the municipality's strategic agenda; d) Ensure that the Corporate Governance of ICT Policy, charter and related policies for the institutionalisation of the Corporate Governance of ICT are developed and implemented by management; e) Determine the delegation of authority, personal responsibilities and accountability to the Management with regards to the Corporate Governance of ICT; f) Ensure the realisation of municipality-wide value through ICT service delivery and management of Municipal and ICT-related risks; g) Ensure that appropriate ICT capability and capacity are provided and a suitably qualified and experienced Governance Champion is designated; h) Ensure that appropriate ICT capacity and capability are provided and that a designated official at a Management level takes accountability for the Management of ICT in the municipality; and i) Ensure the monitoring and evaluation of the effectiveness of the Corporate Governance of ICT system e.g. ICT steering committee.
3.	<p>The Municipal ICT Steering Committee, Risk and Audit Committee must Assist the Municipal Manager in carrying out his/her Corporate Governance of ICT accountabilities and responsibilities.</p>
4.	<p>Management must ensure:</p> <ul style="list-style-type: none"> a) ICT strategic goals are aligned with the municipality's Municipal strategic goals and support the municipal processes; and b) Municipal-related ICT strategic goals are cascaded throughout the municipality for implementation and are reported on.

The following entails a list of the benefits that may be realised through effectively implementing and maintaining the Corporate Governance of ICT:-

- ☞ Establishment of ICT as a strategic enabler in a municipality;
- ☞ Improved achievement of municipal integrated development plans;
- ☞ Improved effective service delivery through ICT-enabled access to municipal information and services;
- ☞ Improved ICT enablement of a municipality;
- ☞ Improved stakeholder communication;
- ☞ Improved delivery of ICT quality services;
- ☞ Improved trust between the municipality and the community through the use of ICT;

- ☛ Lower costs (for ICT functions and ICT dependent functions);
- ☛ Increased alignment of ICT investment towards municipal integrated development plans;
- ☛ Improved return on ICT investments;
- ☛ ICT risks managed in line with the ICT priorities and risk appetite of the municipality;
- ☛ Appropriate security measures to protect both the municipality and the information of its employees;
- ☛ Improved management of municipal-related ICT projects;
- ☛ Improved management of information as ICT is prioritised on the same level as other resources in municipalities;
- ☛ ICT pro-actively recognises potential efficiencies and guides municipalities in timeous adoption of appropriate technology;
- ☛ Improved ICT ability and agility to adapt to changing circumstances; and
- ☛ ICT executed in line with legislative and regulatory requirements.

Table 18: List of Capital Projects planned/implemented from the 2014 - 2017.

Ref No	Description	Budget	Budget Spent	Completed / Not Completed
ITCAP001	Hardware	R 677 000.00	R 593 660.00	Completed
ITCAP002	Website Development – Phase 2	R 500 965.00	R 437 750.01	Completed

Table 19: The benefits of the planned capital projects.

Ref No	Project Description
ITCAP001	The procurement of the server infrastructure for additional capacity required for municipal systems and the replication of the production environment for the purpose of business continuity in the case that the primary production environment is disrupted. Storage Area Network (SAN) was also procured to enhance the storage area that already exists in the servers. This additional storage allows the municipality to back-up data that exists in the Exchange Server. The environment is also virtualized for cost-effective means towards enhance service availability and capacity.
ITCAP002	The second phase of the website development entails the development of a customer services portal which is a self-service site that enables the municipality to provide online interactive service to registered customers. The development includes the front-end interface, which is the customer facing site that will be accessed by external stakeholders. There is also the back-end interface which will be accessible to authorized municipal officials that will be responsible for the administration of the customer facing portal. The municipality was to initially go-live with the e-Tenders portal that would allow bidders to register on the municipal database and procure tender documents online. This service was halted by the user department due to a similar portal being availed by National Treasury at the same time. Another service that is due

Ref No	Project Description
	to go-live in March 2016 is the e-Accounts portal. The e-Accounts service allows customers to get direct access to their municipal accounts and meter readings, as well as be able to pay for the utilities accounts directly via the portal. Included in this development is the municipal Intranet and Extranet, also due to go-live in 2016. The Intranet runs on the municipality's Local Area Network and is used to share information within the municipality. The Extranet will be utilized by the municipal Council to gain access to any information relevant to Councillors and will allow Councillors to share information.

In addition to the capital program for the 2014/15 financial year, below are ad-hoc deliverables that were covered in the operational budget for the different benefits to the municipality:-

- ☛ Procurement of AD Audit software for automated auditing of user activities on the municipality's domain controller.
- ☛ Termination of redundant telephone lines and systems to reduce costs.
- ☛ Development of a Rank Permit Identification Solution to uniquely identify rank permits that have been issued by the municipality. The solution is necessitated by the increase in the number of fake permits used by taxi operators which has led to conflict.

Upgrade of the VIP Payroll system by implementing the new VIP People system which also includes the HR as well as Employee Self-Service modules which are due to be finalized in 2016. The Employee Self-Service Module will eliminate the manual leave application and approval process which will improve the efficiency of the business process.

3.4.3.8. AUDITOR GENERAL'S REPORT

Table 20: Report of the Auditor-General to the KwaZulu-Natal Provincial Legislature and the Council on Newcastle Municipality.

REPORT ON THE FINANCIAL STATEMENTS	
1.	I have audited the financial statements of the Newcastle Municipality set out on Appendix 1, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended as well as the notes, comprising a summary of significant accounting policies and other explanatory information.
ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS	
2.	The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
AUDITOR GENERAL'S RESPONSIBILITY	
3.	My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4.	An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5.	I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.
BASIS FOR QUALIFIED OPINION	
INFRASTRUCTURE ASSETS	
6.	I was unable to obtain sufficient appropriate audit evidence for infrastructure assets due to inadequate underlying records to support this amount. I could not confirm this amount by alternative means. Consequently, I was unable to determine whether any adjustment relating to infrastructure assets stated at R2,82 billion (2014: R2.96 billion), included in note 4 to the financial statements was necessary.
QUALIFIED OPINION	
7.	In my opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Newcastle Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.
EMPHASIS OF MATTERS	
I draw attention to the matters below	
Significant uncertainties	
8.	With reference to note 42 to the financial statements, the municipality is the defendant in a number of civil lawsuits. The municipality is opposing the claims as it believes the claims to be invalid. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result had been made in the financial statements.
9.	As disclosed in note 45 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of an error discovered on infrastructure assets during 30 June 2015 in the financial statements of the Newcastle Municipality at, and for the year ended, 30 June 2014.
MATERIAL IMPAIRMENTS AND LOSSES	
10.	As disclosed in note 14 to the financial statements, the municipality provided for debt impairments of R400,96 million (2014: R472,69 million), arising from the annual review of consumer debtors.
11.	As disclosed in note 56 to the financial statements, water losses of R32,32 million (2014: R25,34 million) were incurred as a result of distribution losses.
12.	As disclosed in note 57 to the financial statements, electricity losses of R 21,46 million (2014: R20,25 million) were incurred as a result of distribution losses.
ADDITIONAL MATTER	
I draw attention to the matter below	
Unaudited supplementary schedules	
13.	The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS	
14.	In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.
PREDETERMINED OBJECTIVES	
15.	I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for ■technical services; ■electrical and mechanical services; ■community services; and ■development planning and human settlements presented in the annual performance report of the municipality for the year ended 30 June 2015.
16.	I evaluated the reported performance information against the overall criteria of usefulness and reliability.
17.	I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information.

18.	I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19.	I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected objectives.
ADDITIONAL MATTERS	
20.	Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected objectives, I draw attention to the following matters.
ACHIEVEMENT OF PLANNED TARGETS	
21.	Refer to the annual performance report on annexures 2.2, 2.4, 2.5 and 2.7 for information on the achievement of planned targets for the year.
ADJUSTMENT OF MISTATEMENTS	
22.	I identified material misstatements in the annual performance report submitted for auditing on the reported performance information of the technical services; electrical and mechanical services; and community services objectives. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.
UNAUDITED SUPPLEMENTARY SCHEDULES	
23.	The supplementary information set out on pages XX to XX does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.
COMPLIANCE WITH LEGISLATION	
24.	I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows.
ANNUAL FINANCIAL STATEMENTS	
25.	The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of current assets identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.
STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT	
26.	The annual performance objectives and indicators for the municipal entity were not established by agreement with the uThukela Water (Pty) (Ltd) and included in the municipal entity's multi-year business plan, as required by section 93C(a) (iv) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000).
ASSET MANAGEMENT	
27.	An effective system of internal control for assets was not in place, as required by section 63(2) (c) of the MFMA.
EXPENDITURE MANAGEMENT	
28.	Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1) (d) of the MFMA.
INTERNAL CONTROL	
29.	I considered internal control relevant to my audit of the financial statements, performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion and the findings on compliance with legislation included in this report.
LEADERSHIP	
30.	Oversight over financial reporting and compliance with legislation, was inadequate, as the positions of the accounting officer and chief financial officer were vacant for a greater part of the year. Leadership did not act swiftly enough to fill these key vacancies to support management in the fulfilment their functions.
FINANCIAL MANAGEMENT	
31.	The importance of routine daily and monthly processes, and stringent records management was not understood by officials. Management did also not devote sufficient time and effort to address significant internal control deficiencies on asset and supply chain management.
GOVERNANCE	
32.	The importance of risk assessment and the responses thereto was not sufficiently understood by leadership and management. The slow response by management to address the concerns of internal audit and the audit committee compromised the quality of financial and compliance reporting.
OTHER REPORTS	
INVESTIGATIONS	
33.	Management performed an investigation regarding two employees. The investigation is in progress with the two employees awaiting the outcomes of the hearing which is still in progress.
34.	Cooperative Governance and Traditional Affairs (COGTA) performed an investigation which covered a period from 1 July 2013 to 30 June 2014. The investigation was based on an allegation of the municipality

	paying for cellphone devices that were never received from a service provider they had a contracted with. The investigation was completed on 31 July 2014 with the Council taking a resolution that the amount should be recouped from the service provider.
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3.4.3.9. AUDIT FINDINGS AND MANAGEMENT RESPONSE

Table 21: Additional audit findings including management response.

Finding No.	Auditing findings	Management Action plan	Target date	Responsible Official
Basis for qualified opinion				
6.	Infrastructure assets I was unable to obtain sufficient appropriate audit evidence for infrastructure assets due to inadequate underlying records to support this amount. I could not confirm this amount by alternative means. Consequently, I was unable to determine whether any adjustment relating to infrastructure assets stated at R2, 82 billion (2014: R2.96 billion), included in note 4 to the financial statements was necessary.	Management action plan The scope of the service provider will be extended to include valuation of infrastructure assets, and to clean up the entire asset register Management will perform the irrevocability test on all supporting documents for each project under infrastructure project. The results of the recoverability test will be communicated with AG to obtain permission to review assets without adequate supporting documents. Valuation of assets without adequate supporting documents will be performed and FAR updated accordingly	31 December 2015 15 February 2016 28 February 2016 30 June 2016	SED: BTO Director: Budget and Financial Reforms Director: Budget and Financial Reforms Director: Budget and Financial Reforms
Emphasis of matters				
8.	Significant uncertainties With reference to note 42 to the financial statements, the municipality is the defendant in a number of civil lawsuits. The municipality is opposing the claims as it believes the claims to be invalid. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result had been made in the financial statements.	Management action plan Legal services unit and BTO will work together on this matter towards ensuring compliance with financial reporting prescripts, and then apply the same principle going forward	28/02/2016	Head Legal Services and SED:BTO
9.	Restatement of corresponding figures As disclosed in note 45 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of an error discovered on infrastructure assets during 30 June 2015 in the financial statements of the Newcastle Municipality at, and for the year ended, 30 June 2014.	Management action plan Management will extend the scope of the service provider to include clean up the asset register and to perform correct and reliable valuations for all infrastructure projects.	30 June 2016	Director: Budget and Financial Reporting

Finding No.	Auditing findings	Management Action plan	Target date	Responsible Official
10.	Material impairments and losses As disclosed in note 14 to the financial statements, the municipality provided for debt impairments of R400,96 million (2014: R472,69 million), arising from the annual review of consumer debtors.	Management action plan Together with our Debt Management Service provider we have started community awareness programmes as an attempt to educate the community about the importance of paying their municipal accounts. We did a campaign in November and will continue in the new year. We are also in the process of writing an item to council to write off bad debts which are deemed irrecoverable as per a report from TransUnion. Various other collection procedures are in place which will attempt at decreasing the amount of debtors.	Ongoing	Director: Revenue, Valuations and Debt Management
11.	Material impairments and losses As disclosed in note 56 to the financial statements, water losses of R32, 32 million (2014: R25, 34 million) were incurred as a result of distribution losses.	Management action plan A water conservation and water demand management programme is currently being implemented. Firstly to monitor the extent of the losses and to reduce water losses by regulating pressure as well as performing repairs on the network as well as leaks after the meter. Three programmes are being implemented in this regard. <ol style="list-style-type: none"> 1. Osizweni Water Conservation and Demand Management programme 2. Madadeni Water Conservation and demand management 3. A/Concrete Pipe Replacement 	30 June 2016	Director: Water
12.	Material impairments and losses As disclosed in note 57 to the financial statements, electricity losses of R 21,46 million (2014: R20,25 million) were incurred as a result of distribution losses.	Management action plan The municipality is in the process of installing energy loggers which will feed information to the scada system. This information will be used to compare billed energy with supplied energy. This will assist in the interventions by electricians to investigate areas with high loss areas.	30 June 2016	Director: Electrical
Predetermined objectives				

Finding No.	Auditing findings	Management Action plan	Target date	Responsible Official
24.	Adjustment of material misstatements I identified material misstatements in the annual performance report submitted for auditing on the reported performance information of the technical services; electrical and mechanical services; and community services objectives. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.	Management action plan Development and implementation of an assessment checklist for the verification of performance information	01 January 2016	Manager : M & E
27.	Annual financial statements The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of current assets identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.	Management action plan Key personnel involved in the AFS preparation will be sent to GRAP and Caseware trainings Management will extend the scope of the service provider to include clean up the asset register and to perform correct and reliable valuations for all infrastructure projects.	31 March 2016 30 June 2016	Director: Budget and Financial Reporting Director: Budget and Financial Reporting
28.	Strategic planning and performance management The annual performance objectives and indicators for the municipal entity were not established by agreement with the uThukela Water (Pty) (Ltd) and included in the municipal entity's multi-year business plan, as required by section 93C(a) (iv) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000).	Management action plan Monitoring of Entity through the SDBIP as approved	01 January 2016	Manager : M & E
29.	Asset management An effective system of internal control for assets was not in place, as required by section 63(2) (c) of the MFMA.	Management action plan The asset management policy of the municipality will be review in line with S63(2)(c) of MFMA and all the relevant GRAP Standards Reconciliations between GL and FAR will be performed and reviewed on a monthly bases. Asset champions in each department will be trained on asset management to work closely with the asset management unit.	31 March 2015 Ongoing 31 March 2015	Director: Budget and Financial Reporting Director: Budget and Financial Reporting Director: Budget and Financial Reporting

Finding No.	Auditing findings	Management Action plan	Target date	Responsible Official
		The system configuration will be reviewed to correctly account for VAT and retentions.	31 January 2015	Director: Budget and Financial Reporting
30.	Expenditure management Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1) (d) of the MFMA.	Management action plan Irregular expenditure will be reported accordingly to the accounting officer in order for the accounting officer to comply with section 32(4) of MFMA.	Ongoing 30 April 2016	Director: SCM
32.	Leadership Oversight over financial reporting and compliance with legislation, was inadequate, as the positions of the accounting officer and chief financial officer were vacant for a greater part of the year. Leadership did not act swiftly enough to fill these key vacancies to support management in the fulfilment their functions.	Management action plan The Municipality is in process of filling these position and these positions have been advertised and the closing date is 13/01/2016.	30 April 2016	SED: Corporate services.
33.	Financial management The importance of routine daily and monthly processes, and stringent records management was not understood by officials. Management did also not devote sufficient time and effort to address significant internal control deficiencies on asset and supply chain management.	Management action plan Management will ensure timely scanning of all payment vouchers, journals and tender documents to address the challenges of records management.	Ongoing	Director: Budget and Financial Reforms Director: SCM
34.	Governance The importance of risk assessment and the responses thereto was not sufficiently understood by leadership and management. The slow response by management to address the concerns of internal audit and the audit committee compromised the quality of financial and compliance reporting.	Management action plan To enhance our communication of risk management information through MANCO meetings, Extended MANCO and steering committees	28 February 2016	CRO
		Management action plan To liaise with Corporate services department to arrange another council workshop for policies whereby risk management policies are going to form part of the policies to be presented as previously planned.	31 January 2016	CRO

Finding No.	Auditing findings	Management Action plan	Target date	Responsible Official

3.4.3.10. SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Capacity to perform most of the critical municipal functions. Effective systems and procedures including various management policies. Low vacancy rate especially among senior management posts and other critical posts. Advanced and integrated information management system. Good relationship between staff, management and councillors. Committed and dedicated staff. Organizational culture based on hard work and dedication. 	<ul style="list-style-type: none"> Dominance of males in senior management. Representation of women and the disabled in total staff complement. Weak knowledge management and institutional memory systems.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Government funded staff training programmes. Continuous staff training and development. Local government support from COGTA and Treasury. Municipal turnaround strategy. 	<ul style="list-style-type: none"> Constant changes in legislation and national policy. Withdrawal of government programmes for staff training and development. Changes in the formula for the allocation of government grants including equitable share.

3.5. SERVICE DELIVERY AND INFRASTRUCTURE ASSESSMENT

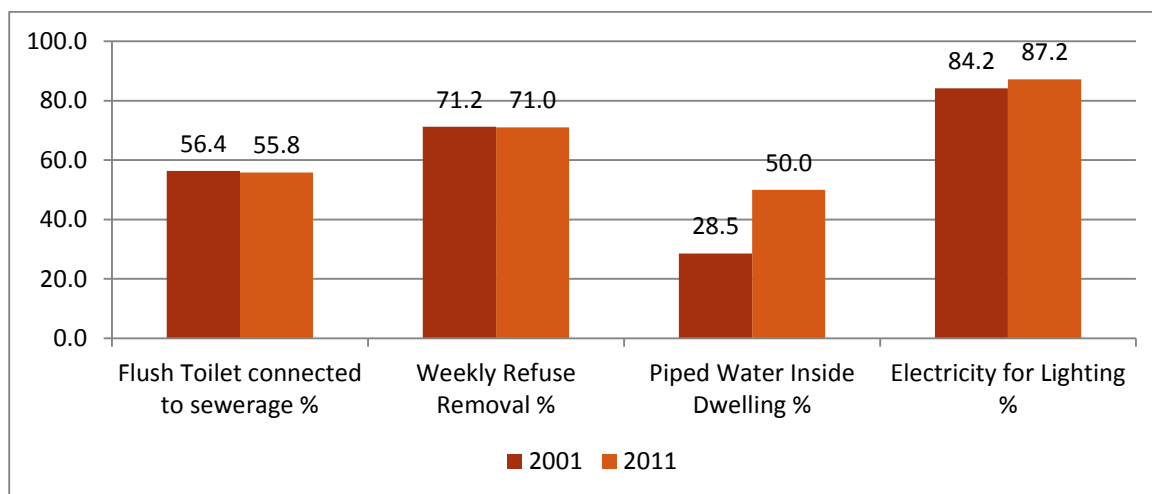
NLM is one of the few local municipalities that have the responsibility to plan, provide and regulate infrastructure development throughout its area of jurisdiction. This includes both bulk infrastructure development and reticulation.

3.5.1. GENERAL ACCESS TO BASIC SERVICES

As indicated on Figure 12 below, access to basic household services in Newcastle Municipality has improved substantially since 2001 with more people (50% as opposed to 28.5% in 2001) having piped water inside their dwellings, and 87.2% having electricity for lighting marking an

increase from 84.2% in 2001. The situation with regards to sewer connection and refuse removal remains largely unchanged reflecting the impact of population growth.

Figure 14: Household Services.

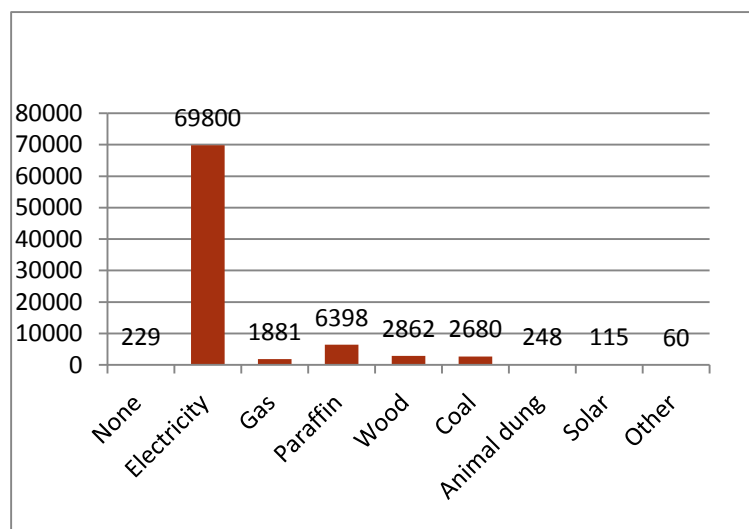


Source: Stats SA, 2011

However, the standard and level of service differs significantly among areas reflecting the impact of the past apartheid policies. The JBC area and the surrounding settlements are characterised by severe service backlogs and underdevelopment.

3.5.1.1.1. SOURCES OF ENERGY

Figure 15: Sources of Energy for Cooking.



The municipality, with the assistance of ESKOM, has made substantial progress with the provision of electricity throughout its area of jurisdiction. 69 800 and 73 449 households are using electricity for cooking and lighting respectively. The number of people using sources of energy such as paraffin, wood, gas, coal, etc. has declined substantially.

However, there are few areas where lack of services have been reported. These include informal settlements and areas that were settled after the electrification of the settlement.

3.5.1.1.2. ACCESS TO WATER

Water supply infrastructure in Newcastle Municipality varies between areas reflecting the impact of fragmented spatial development and urban bias of the past planning and development practices. Newcastle town is generally well provided with water while a few households in Madadeni and Osizweni Townships are experiencing shortages in this regard. According to the Newcastle Municipality Water Services Develop Plan (2013/14), there are four categories of settlements serviced with water within the municipal jurisdictional area and these are as follows:-

- ☛ Urban – Formal towns within the vicinity of urban cores;
- ☛ Urban – Former residential township areas;
- ☛ Urban – Informal settlements (squatter camps); and
- ☛ Rural – Small villages with a population less than 5000.

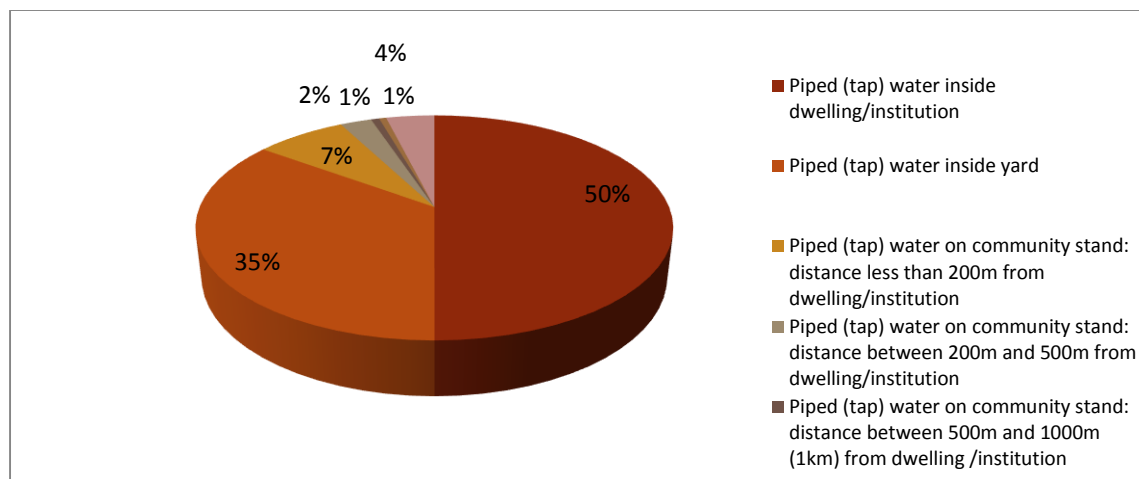
Severe backlogs have been reported in rural settlements where the level of backlog is high. The high backlogs are mostly concentrated in Ward 1 where there is a moderate percentage of households with inadequate water services. A review of the 2011 Stats SA Census Data reveals that 50% of the population has water inside their dwelling units. However, a significant number of people (more than 35%) still obtain water beyond a 200m radius in the form of communal stand pipes. People who do not have access to piped water account for only 4% of the total population.

Table 22: Level of Access to Piped Water.

ACCESS TO PIPED WATER	NO. OF HH
Piped (tap) water inside dwelling/institution	42 126
Piped (tap) water inside yard	29 508
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	6 159
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	2 142
Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	562
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	485
No access to piped (tap) water	3 290
Unspecified	-
Not applicable	-
GRAND TOTAL:	84 272

Source: Stats SA, 2011

Figure 16: Level of Access to Water (Stats SA Census Data 2011).



The Newcastle Municipality, in line with National policy on FBW, makes budgetary provision of 12kl per household for indigent families, funded through the Equitable Share. The recently updated Water Services Development Plan (2013/14) indicates that there has been a reduction of 18% in water backlogs between the year 2002 and 2010 with an existing water service backlog of 24%. Breakdown of the level of access to water by municipal wards is indicated on the table below:-

Table 23: Access to Water by Electoral Wards.

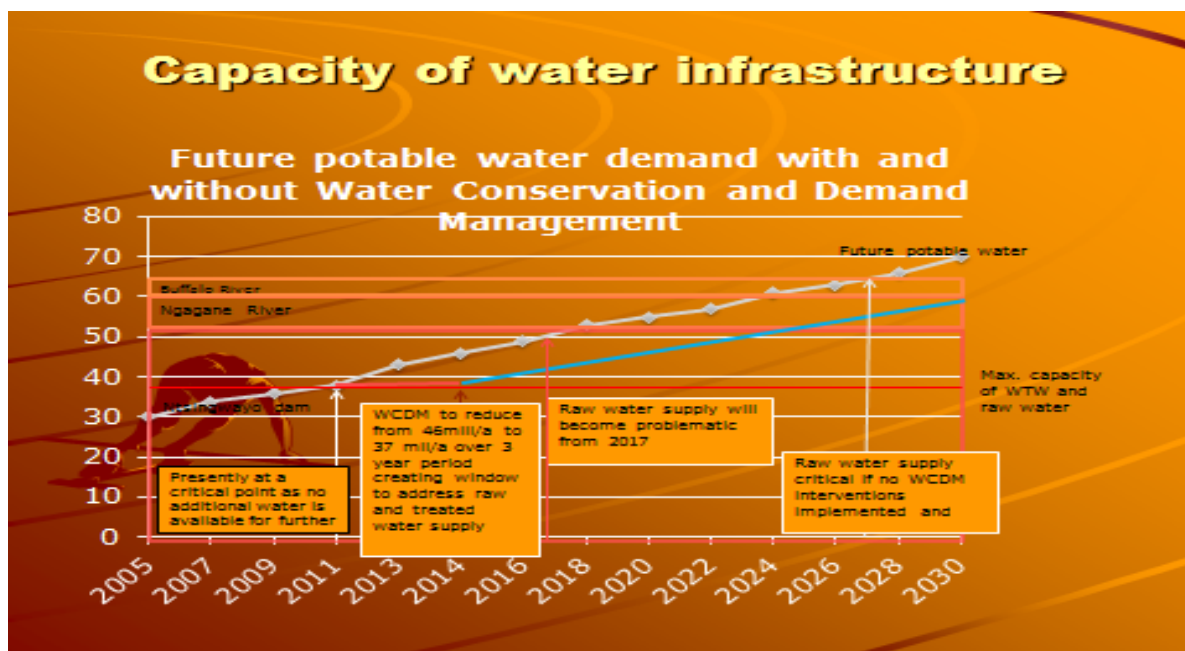
Source of water	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool/stagnant water	River/stream	Water vendor	Water tanker	Other
Municipal Wards	851	933	452	93	94	258	20	341	87
Ward 1	3 242	6	1	2	1	1	5	5	20
Ward 2	2 294	16	1	3	9	12	8	7	34
Ward 3	2 789	6	-	7	3	1	8	13	9
Ward 4	2 873	7	1	1	3	1	6	4	8
Ward 5	3 821	82	11	29	5	7	55	552	249
Ward 6	3 216	32	2	15	6	5	20	93	239
Ward 7	1 765	17	-	1	2	-	5	49	22
Ward 8	3 632	11	-	3	-	-	4	5	70
Ward 9	2 108	2	-	1	1	-	5	7	38
Ward 10	2 436	8	4	1	4	-	12	4	32
Ward 11	1 701	31	7	2	1	-	7	14	68
Ward 12	1 667	3	3	1	-	-	2	7	6
Ward 13	3 287	13	5	2	2	-	-	89	214
Ward 14	1 444	216	27	5	12	4	13	280	212
Ward 15	2 613	117	2	7	2	-	5	17	345
Ward 16	2 368	8	-	-	-	-	25	1	7

Source of water	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool/stagnant water	River/stream	Water vendor	Water tanker	Other
Ward 17	2 148	99	-	1	-	-	20	29	277
Ward 18	2 215	21	7	1	6	1	2	230	22
Ward 19	3 705	41	1	4	-	-	12	11	17
Ward 20	2 583	118	5	76	2	12	17	149	136
Ward 21	1 949	1	-	2	-	-	5	4	1
Ward 22	1 800	7	-	2	-	-	11	112	9
Ward 23	2 906	25	2	1	2	-	3	4	17
Ward 24	3 382	301	1	2	-	5	6	-	13
Ward 25	1 601	4	-	1	1	-	2	1	8
Ward 26	2 453	6	-	-	2	-	5	1	14
Ward 27	1 633	2	5	1	4	1	1	7	8
Ward 28	2 497	2	-	2	1	-	8	17	8
Ward 29	2 576	13	2	7	5	1	5	87	24
Ward 30	2 171	87	4	1	1	2	9	270	81
Ward 31	75 725	2 235	545	278	169	312	305	2 411	2 292
Grand Total	75 725	2 235	545	278	169	312	305	2 411	2 292

Source: Stats SA, 2011

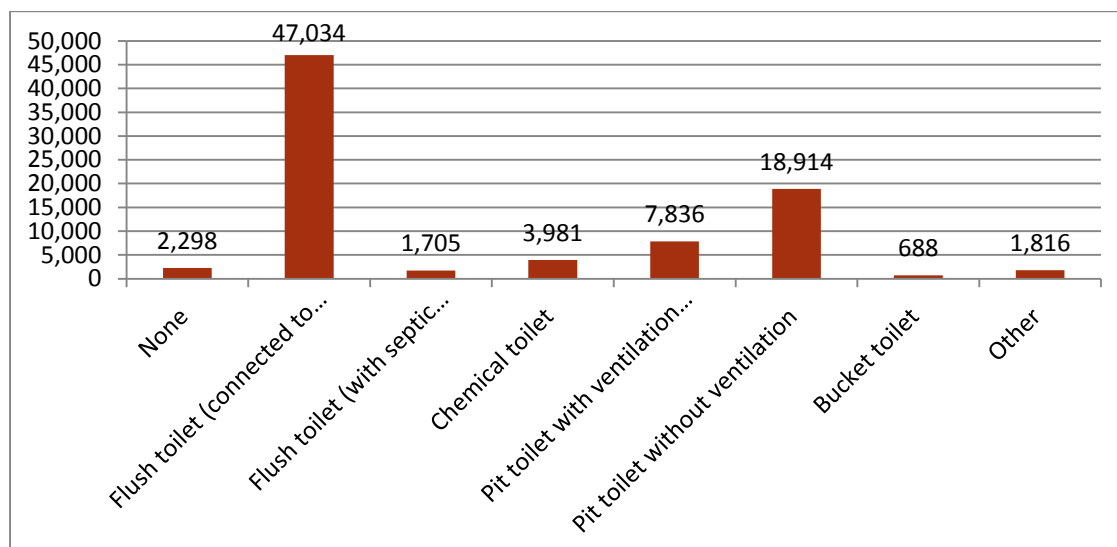
The graph below illustrates the demand for water and indicates the crisis that might face NLM if water issues are not given priority within LM.

Figure 17: Capacity of Water Infrastructure



3.5.1.2. ACCESS TO SANITATION

Figure 18: Access to Sanitation



Source: Stats SA, 2011

Similarly, the peri-urban and rural areas such as the JBC and rural settlements in the Khathide and AmaHlubi communities are characterised by high sanitation backlogs. The JBC node has no sewerage reticulation in place. The residents rely on over 15 000 ventilated improved pit (VIP) latrines. Most of the VIPs are full and the Municipality spends about R1.0 million every month in de-sludging the VIPs. Plans are underway to formalize Blaauwbosch and considerable sewage flows are expected once the waterborne sewerage system is connected. A breakdown of the level of access to sanitation by municipal wards is indicated in the table below. 688 people said to be on the bucket system is a cause for concern and will be attendant to with immediate effect.

Table 24: Access to Sanitation by Electoral Wards

MUNICIPAL WARDS	NONE	FLUSH TOILET (CONNECTED TO SEWERAGE SYSTEM)	FLUSH TOILET (WITH SEPTIC TANK)	CHEMICAL TOILET	PIT TOILET WITH VENTILATION (VIP)	PIT TOILET WITHOUT VENTILATION	BUCKET TOILET	OTHER
Ward 1	168	456	343	87	136	1777	36	124
Ward 2	2	3259	14	-	2	-	2	2
Ward 3	19	2339	2	-	10	6	1	6
Ward 4	-	2802	9	-	15	4	-	5
Ward 5	2	2888	3	-	3	2	-	7
Ward 6	440	28	23	583	1577	1993	22	145
Ward 7	329	804	38	170	1151	891	241	4
Ward 8	21	1673	99	4	53	2	4	7
Ward 9	337	1917	52	128	702	546	10	32
Ward 10	62	2075	19	-	2	1	1	2
Ward 11	18	1649	42	283	9	122	7	372
Ward 12	42	17	12	21	21	1580	2	137
Ward 13	7	1505	1	6	5	148	10	7
Ward 14	14	75	13	422	1180	1851	42	15
Ward 15	85	7	5	35	44	1868	7	163

MUNICIPAL WARDS	NONE	FLUSH TOILET (CONNECTED TO SEWERAGE SYSTEM)	FLUSH TOILET (WITH SEPTIC TANK)	CHEMICAL TOILET	PIT TOILET WITH VENTILATION (VIP)	PIT TOILET WITHOUT VENTILATION	BUCKET TOILET	OTHER
Ward 16	156	18	12	28	91	2659	19	127
Ward 17	17	2169	17	1	3	138	28	37
Ward 18	65	333	49	160	143	1691	18	117
Ward 19	31	1006	20	559	253	617	3	17
Ward 20	68	3253	201	17	9	17	168	58
Ward 21	24	1970	240	127	88	620	4	25
Ward 22	2	1878	53	2	-	-	22	3
Ward 23	1	1608	270	2	1	12	6	39
Ward 24	17	2864	19	1	21	2	3	34
Ward 25	120	2444	10	4	14	1040	5	73
Ward 26	11	1600	2	-	-	1	-	3
Ward 27	6	1651	19	139	481	6	6	173
Ward 28	5	1643	10	1	2	-	-	-
Ward 29	36	1325	71	186	675	230	3	8
Ward 30	78	1724	18	118	328	383	13	57
Ward 31	115	54	18	897	817	707	3	16
Grand Total	2298	47034	1705	3981	7836	18914	688	1816

Source: Stats SA, 2011

3.5.2. WATER

3.5.2.1. PLANNING FOR WATER SERVICES DELIVERY

Although the NLM developed and adopted a Water Services Development Plan in 2009, last review (2013/14), planning for water infrastructure development has largely been project based and *ad hoc*. The WSDP and various other strategic documents identify a number of critical issues. These range from issues of service backlogs through the capacity of the existing infrastructure to the sustainability of the infrastructure into the future. Critical issues that require attention in this regard include the following:-

- ☛ Preparation of a long term plan to guide investment in water infrastructure in the short to long term.
- ☛ Maintenance of the existing infrastructure.
- ☛ Funding for maintenance and new water infrastructure projects.

3.5.2.2. RAW WATER SOURCES

The supply of raw water within the NLM is as follows:-

- ☛ The Buffalo River Abstraction Works through a 32km long 800mm diameter steel pipe to the Ngagane Water Purification Works. The average supply is 10 MI/day;
- ☛ The Ngagane River Abstraction Works through a 1.5km long 600mm concrete lined steel pipe, which supplies an average of 20 MI/day; and

- ☛ The Ntshingwayo Dam through two pipes, an 800 mm concrete pipe which is 18km long and a 700mm diameter steel pipe which is 13km long. Both of these supply a combined total of 92 MI/day.

Ntshingwayo Dam, situated on the Ngagane River, has a storage capacity of 194 million m³. The dam was raised during 1982 and cannot be augmented further to increase the system yield. An excess firm yield of 21 million m³/a (57MI/d) is available at Ntshingwayo Dam for further allocation to Newcastle which should be sufficient until 2017 at the present demand without any water conservation and water demand management initiatives being implemented. If these initiatives are implemented, this horizon could extend to 2023.

However, the current available yield from the Ntshingwayo Dam is not sufficient to support a major irrigation-based agricultural development. As such, water augmentation in the upper Buffalo system would be required in the time horizon 2015 – 2025 without any agricultural development because of the growth in the domestic and industrial demand within Newcastle. Therefore, the proposed Ncandu River Dam is not just the only viable option for increasing the system yield in order to support agricultural development, but it is also the only viable option to ensure continued economic growth for the Newcastle industrial and commercial sector beyond 2015 – 2030.

Table 10 below indicates the expected peak demand for the next 25 years with the expected shortfalls.

Table 25: Demand Forecast

Year	Peak demand (MI/day)	Supply			Total	Surplus (shortage) (MI/day)
		Ntshingwayo Dam	Ngagane river	Buffalo river		
2011	104	70	18	15	103	(1MI/day)
2014	128	70	18	15	103	(25MI/day)
2020	153	70	18	15	103	(50MI/day)
2025	167	70	18	15	103	(64MI/day)
2030	190	70	18	15	103	(87MI/day)
2035	213	70	18	15	103	(110MI/day)

From the table above it is evident that the bulk raw water supply is creating a bottleneck resulting in the plant not being able to meet the demand. Noting that, the installation of a new supply line will take at least 3 years at which time the expected shortfall will be in the order of 25MI/day. Therefore it is evident that the situation is in dire need of an intervention. This could be a conservative figure as the supply line to Utrecht is completed. New bulk

infrastructure is being provided to supply water to a planned development called Viljoen Park. The Stafford Hill area, comprising of 8000 households, is also to be provided with water borne sanitation and plans are being finalised to commence a 3 phased high density development for JBC.

3.5.2.3. POTABLE WATER TREATMENT FACILITIES

During February 2013, Newcastle was awarded with a **BLUE DROP** water status (quality) accolade. The town of Newcastle has three WTWs with two plants having recently been decommissioned. The Ngagane WTW is the only plant that is currently operational, and which is supplying treated water to the area. The Ngagane Water Treatment Works is located next to the Ngagane River on the south-eastern side of Newcastle and is operated by uThukela Water (Pty) Ltd on behalf of Newcastle Municipality. The total peak hydraulic design capacity of the Ngagane WTW is 105 MI/d. The average annual flow rate of the WTW is estimated to be 103.3 MI/d.

The average annual capacity of the water treatment works is not sufficient to meet the future water requirements (from 2012). An overall score of 95% is required to achieve a blue drop status. During 2010, UThukela Water achieved a score of 97%.

3.5.2.4. WATER SUPPLY AND RETICULATION

Six pumping mains supply purified water to two bulk storage reservoirs, the Braakfontein and Hilldrop reservoirs. A combination of a 600mm diameter steel pipe, 375mm diameter asbestos cement pipe and 600 mm diameter GRP pipe supply the 78MI Braakfontein reservoirs. The 29MI Hilldrop Reservoirs are supplied through a 700mm steel pipe and 375mm asbestos cement pipe. Water from the Braakfontein reservoirs then feeds the following:-

- ☛ Stafford Hill and Madadeni through a combination of various pipe sizes ranging from 800mm diameter to 200mm diameter;
- ☛ 6MI Blaauwbosch reservoir that in turn feeds Blaauwbosch;
- ☛ The Waterval Reservoir and Ngagane; and
- ☛ Osizweni Township through a 3.85km long 450mm diameter AC pipe. The pipeline splits into two lines, one serves the 6MI reservoir at Blaauwbosch and the other serves the 2MI tower at Osizweni.

The Hilddrop reservoirs feed the Newcastle CBD, the suburbs and industrial areas. The JBO Node is fed from the Braakfontein reservoirs. The average consumption for the whole of Newcastle is estimated at 75ML/day. The consumption figures from the Braakfontein reservoirs are about 46ML/day. The Braakfontein reservoirs therefore have adequate capacity for future expansion. The total unaccounted for water is very high and averages about 36%. Once this is addressed, additional capacity can be realized.

The increase in demand for the townships of Madadeni, Osizweni, Stafford Hill and Blaauwbosch including the Newcastle West area is necessitating the need for an additional 20ML reservoir at the Hill drop reservoir site including an additional 45ML reservoir for the Braakfontein reservoir site.

3.5.2.5. THE CONDITION OF WATER INFRASTRUCTURE

The infrastructure in Newcastle East is in a fairly good condition which is more than what can be said about the condition of water infrastructure in the Newcastle West area which is mainly the CBD and surrounding suburbs. The area has aging asbestos networks which are resulting in high maintenance costs. The estimated capital investment required for this is in the order of R500 million rand. Investigations also need to be carried out in how to improve the pressure management in the Arbour Park, Lennoxton areas where low pressures are being experienced.

A new pumping main from Ngagane Plant to Braakfontein Reservoirs is needed. The existing two lines do have sufficient capacity for the medium term but require maintenance and to decommission one line to carry out repairs will result in inadequate supply owing to the insufficient storage capacity at Braakfontein reservoirs.

3.5.2.6. WATER LOSSES

A preliminary assessment of the level of water use efficiency and the level of Non-Revenue Water (NRW) in the Newcastle Water Supply Scheme area indicated that the total system losses are high. It was estimated that the total Non-Revenue Water (NRW) in the supply area is a staggering 65%. The main areas of concern are Madadeni and Osizweni where water losses mainly from onsite leaks are resulting in losses of at least 26ML/day. The average consumption per household in Madadeni is 44.6kl per month with almost zero payment and no credit control interventions. The situation is not any different in Osizweni where the total number of households is in the order of 27,200. An amount of R24 million has been approved by MIG to reduce the non-revenue water in Madadeni although a R150 million will be required to complete the programme. The programme will include the repair of private leaks

and install flow regulators to each household in Madadeni and Osizweni thereby creating an additional 26Ml per day allowing a window period for the construction of the raw water supply line from Ntshingwayo dam to the Ngagane WTW and simultaneously increasing the capacity of the Ngagane WTW's. Without these interventions there will be insufficient water to supply for any new developments.

3.5.3. THE NEED FOR A NEW RAW WATER SOURCE: NCANDU DAM

The proposed Ncandu River Dam is not just the only viable option for increasing the system yield in order to support agricultural development, but it is also the only viable option to ensure continued economic growth for the Newcastle industrial and commercial sector beyond 2015 – 2030. The current spatial development of NLM will determine its current demand for water supply. Growth and development will increase the demand for water supply in the future. Amongst other things the factors that will contribute to the growth in demand are as follows:-

- ☛ Population growth;
- ☛ Economic Growth;
- ☛ Spatial development;
- ☛ Increased level of service; and
- ☛ Development of new wet industries.

3.5.3.1. WATER DEMANDS ZONES

According to the table below, Newcastle is divided into 5 demand zones and these are essential for greater clarity and insight as well as modelling accuracy. The demand zones are specifically identified through a combination of parameters such as:-

- ☛ Topography;
- ☛ Sewage and storm water drainage areas;
- ☛ Existing water and sewer infrastructure;
- ☛ Current spatial development profile; and
- ☛ Development potential.

Based on the table below, Newcastle Central has the highest residential demand for water at 64 489 (57.88%), followed by Newcastle East at 23 951 (21.49%) and Town at 18 948 (17.00%). In terms of the non-residential buildings, Town has the highest concentration of water demand at 1 272 (74.03%).

Table 26: NLM Water Demand Zones.

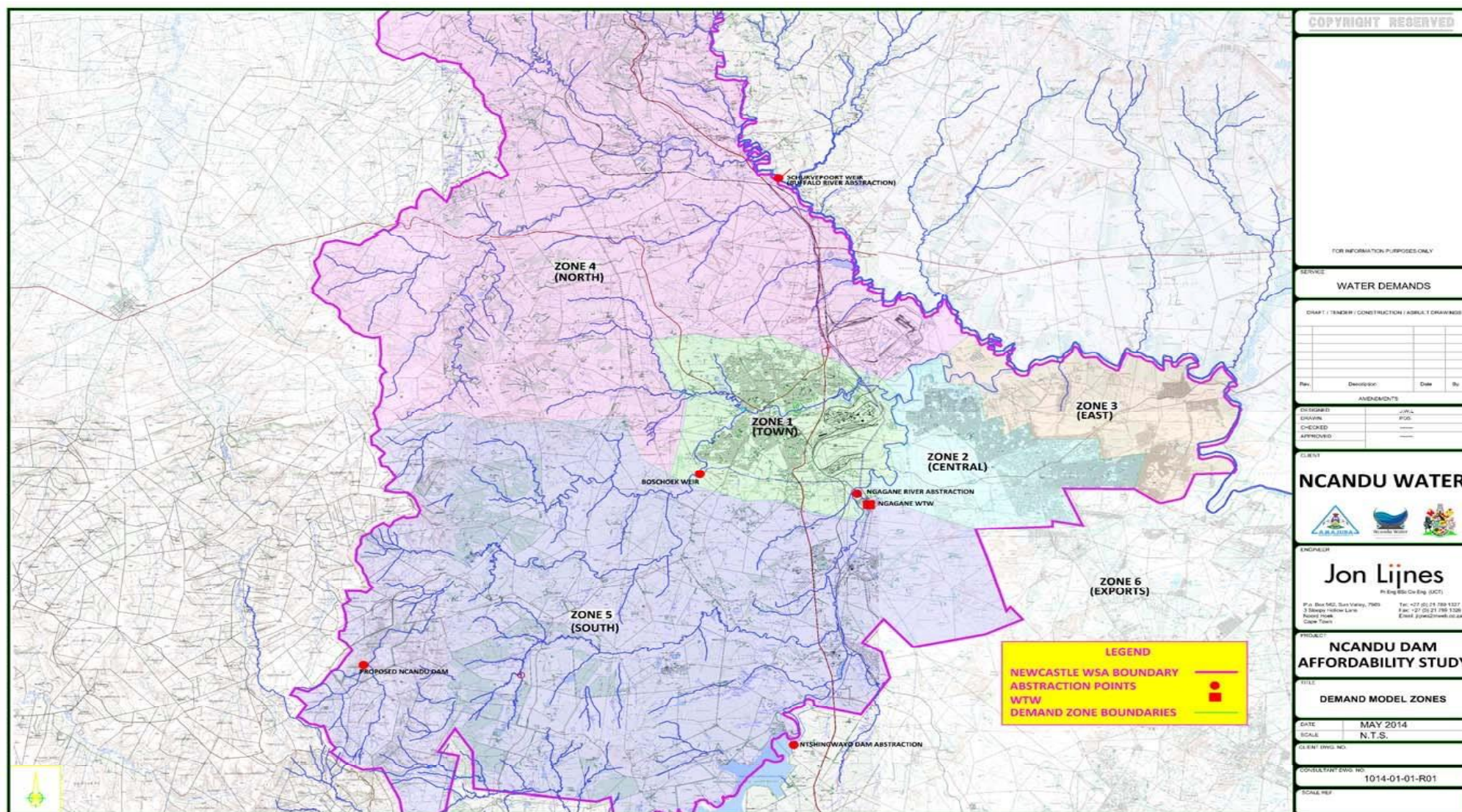
ZONE NUMBER	DEMAND ZONE NAME	RESIDENTIAL DWELLING	NON-RESIDENTIAL BUILDINGS
1.	TOWN	18 948	1 272
2.	CENTRAL	64 489	291
3.	EAST	23 951	17
4.	NORTH	1 747	113
5.	SOUTH	2 269	25
TOTAL:		111 402	1 718

Source: Ncandu Dam Affordability Study (2014).

3.5.3.2. RELIABILITY OF EXISTING RAW WATER SOURCES

In terms of the existing water sources, it is important to note the following:-

- ☛ The yield of Ntshingwayo Dam has probably declined to the point where all allocated water rights cannot be exercised. This is due to silting-up of the dam, which thus continue to reduce the yield of the dam. Furthermore, the sluices of the dam are also reducing the dam's ability to reach maximum fill capacity of 90% hence further reducing the yield of the dam. In short, Ntshingwayo Dam has been operating in a stressed state for some time, despite average rainfalls within the catchment.
- ☛ Both the Ngagane and Buffalo rivers have run dry on a regular basis in the past decade. This has hampered upon NLM's ability to abstract its full allocation of water from these sources, which has exacerbated the existing water supply shortages.



Map 6: Demand Zones of Newcastle Local Municipality (Ncandu Dam Affordability Study – 2014).

3.5.3.3. NCANDU DAM

It is assumed that the raw water and WTW losses should fall between 7.5% and 12.5% of the treated water supplied. This implies that the raw water supply required should be 10% or more on average than the demand to be supplied from the WTW. This loss is to allow for losses on the raw water supply system (scouring of pipelines, leaks, pipe breaks etc.) and the operational losses experienced at the WTW (backwashing of filters, de-sludging, cleaning of reservoirs etc.) The proposed Ncandu Dam, in conjunction with the current water sources, would ensure sufficient water for Newcastle for the foreseeable future, even if no water loss reduction program is implemented. The implementation of the water loss reduction program would achieve the reduction of recoverable losses by 70%, however, in a period of 10 years.

Table 27: Water Loss Reduction Program.

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Period Reduction	-	5%	5%	10%	15%	15%	15%	10%	10%	10%	5%
Cum Reduction	-	5%	10%	20%	35%	50%	65%	75%	85%	95%	100%

Source: Ncandu Dam Affordability Study (2014).

The table above depicts the average daily water demands that will be the resultant of successfully implementing the Water Loss Reduction Program. With the implementation of a loss reduction program, the existing sources would begin to become sufficient by 2018 and would then require supplementing by 2028. However, this is based on the expected scenario which is totally different from the High Demand Scenario whereby the existing resources are insufficient even with the implementation of a water loss reduction program. In light of the above it is therefore vividly clear that there is an urgent need for obtaining an additional water source in order to supplement the current sources of water. The provision of Ncandu Dam would ensure sufficient water for Newcastle well beyond 2034 with the implementation of the water loss program.

3.5.4. SANITATION

NLM face a number of challenges with regard to sanitation. One of the main problems is the need for a sewer master plan, which will enable the municipality to plan for future developments including addressing the backlogs in basic sanitation services. Other areas of concern are the lack of adequate sewer systems for 13 481 households that do not have waterborne sanitation. This need is especially evident in the MBO area.




3.5.4.1. CONDITION OF EXISTING INFRASTRUCTURE

The absence of a Sewer Master plan does not allow for effective forward planning with regards to the impact of new developments and future areas to be provided with water borne sanitation. The new areas to be developed include Blaauwbosch and Viljoen Park. Stafford Hill has been provided with sewer reticulation where 8,000 existing VIP toilets are to be converted to flush toilets. Madadeni has water borne sanitation for all 15,000 households although the structures of 5,000 households are dilapidated and flush into the old conservancy tank system with the overflow of the tank connected to the sewer connection.

In many cases the contents of the tank is exposed and a health hazard. The existing networks are in a fairly good condition with infiltration into the groundwater not seen as a problem. The reticulation in the higher income areas such as Aviary Hill is operating at full capacity as the density of the area increases, exceeding the maximum design flows of the networks. Investigations revealed that there were two properties in Lennoxton being serviced by the old bucket system. Septic tanks have since been provided for these properties.

3.5.4.2. WASTE WATER TREATMENT WORKS

The waste water and sewage from the Newcastle Municipality is currently treated at three major plants:

-  **Newcastle (KwaMathukuza) Waste Water Treatment Plant:** The works currently serves the Newcastle Central Business District, the industrial and surrounding areas. The works has a design capacity of 25 MI/day and is currently running at 20 MI/day Average Dry Weather Flow. The Works have a spare capacity of 5 MI/day and will serve future housing developments at Viljoen Park and Tuam Farm.
-  **Osizweni Waste Water Treatment Plant:** The Works' catchment is the greater Osizweni Township and the surroundings. The current capacity of the Works is 14 MI/day and the current hydraulic loading is 15 MI/day. The Works is currently running at capacity in terms of hydraulic loading, but the biological loading is below design capacity.
-  **Madadeni Waste Water Treatment Works:** The catchment area for Madadeni WWTW is the Madadeni Township, Ithala Industrial area, and the surrounding areas.

The design hydraulic loading is 12 MI/day. The Works are currently operating at 15MI/day. However, during the wet season, the flows peak at between 25MI/day to 30MI/day due to high infiltration. Plans are underway to increase the hydraulic capacity to 35MI/day. The

project is scheduled for 2010. It is envisaged that future flows from Blaauwbosch, Johnstown and Cavan will be directed to Madadeni WWTW.

3.5.5. ELECTRICITY AND POWER SUPPLY

3.5.5.1. SOURCES OF ENERGY

Eskom supplies in the order of 125,000 KVA per month. An alternative energy source is provided by International Power South Africa (IPSA) from gas turbines. IPSA has resumed operations at its cogeneration plant at Newcastle. The 18MW combined heat and power plant is now supplying electricity to the national grid under a medium-term power purchase agreement with Eskom dated 26 August 2010. IPSA has successfully restarted operations at its cogeneration plant at Newcastle, following a final agreement on a gas supply contract with Spring Lights Gas. According to ESKOM, there is limited capacity in the Newcastle East to accommodate the planned housing and commercial development.

3.5.5.2. RETICULATION

The municipality manages the electricity networks for the Newcastle West area (the CBD and surrounding suburbs). The outlying townships and rural areas are supplied by Eskom. The electricity backlog in NLM is estimated at 11.3%. In terms of electricity issues, the need to investigate pre-paid electricity in Newcastle license area is highlighted. Electricity metering and billing also needs to be addressed and is a priority for the municipality, as this will ensure the accuracy of consumer accounts. There is no electricity master plan and therefore long term planning is not in place from a capacity point of view. Electricity losses are currently estimated at 9%. Currently, Eskom is undertaking a study which will indicate the energy capacity required for NLM if we are to pursue with future developments. In addition, the Newcastle Municipality is investigating the viability of installing solar system in Normandien and some parts of Ingogo (portions where MV lines are far from houses). These areas were identified for non-grid electricity due to their locations and extreme high cost of building electrical infrastructure. The Department of Energy is keen to fund these projects.

The municipality sells about 93.5% of the bulk electricity that is purchased from Eskom while 6.5% run at a loss. In order to remedy the situation the municipality has begun with the auditing of electricity meters and the process is estimated to be completed by end of June 2012. Hence, the issue of smart-meters is envisaged as a catalytic solution into this electricity loss challenges. However, it must be noted that the installation of smart-meters will cost the NLM an estimated amount of 80 million. In an attempt to address electricity backlogs, there are a number of ongoing electrification projects in the municipality. There are also a number

of housing development projects where the project is implemented by the local municipality but are situated in the ESKOM area of supply. As such, close coordination and cooperation between these two entities are required. There are plans underway to take over the Eskom licensed areas in the East such as Madadeni and Osizweni in order to increase the revenue for the municipality. Provisions for capacity challenges are being addressed through the revised organogram in order to establish a new electricity department separated from Technical Services.

3.5.5.3. FREE BASIC ELECTRICITY

Another challenge is the roll out of Free Basic Electricity within the ESKOM license area, which is problematic due to systems compatibility with both electricity providers. Further to this, maintenance, upgrade and rehabilitation of electricity infrastructure through the ring-fencing of the function for the transfer to RED's, is identified as an important issue.

In terms of national government mandate, NLM is meant to provide 50Kw of free basic electricity to indigent households including areas licensed under Eskom. Currently, there are people registered as indigents who qualify for free basic electricity. This cost the municipality the estimated amount of over R5 million per annum. There is a number of on-going electrification projects in the municipality especially in rural areas. These include Bosworth at about 379 households, Drycut which is about 573 households, Roypoint at about 100 households and Charlestown at about 115 households.

Table 28: Access to energy for Cooking.

	No. of Households
Electricity	69800
Gas	1881
Paraffin	6398
Wood	2862
Coal	2680
Animal dung	248
Solar	115
Other	60
None	229
Unspecified	-
Not applicable	-
Grand Total	84272

Source: Stats SA, 2011

Table 29: Access to energy for Heating.

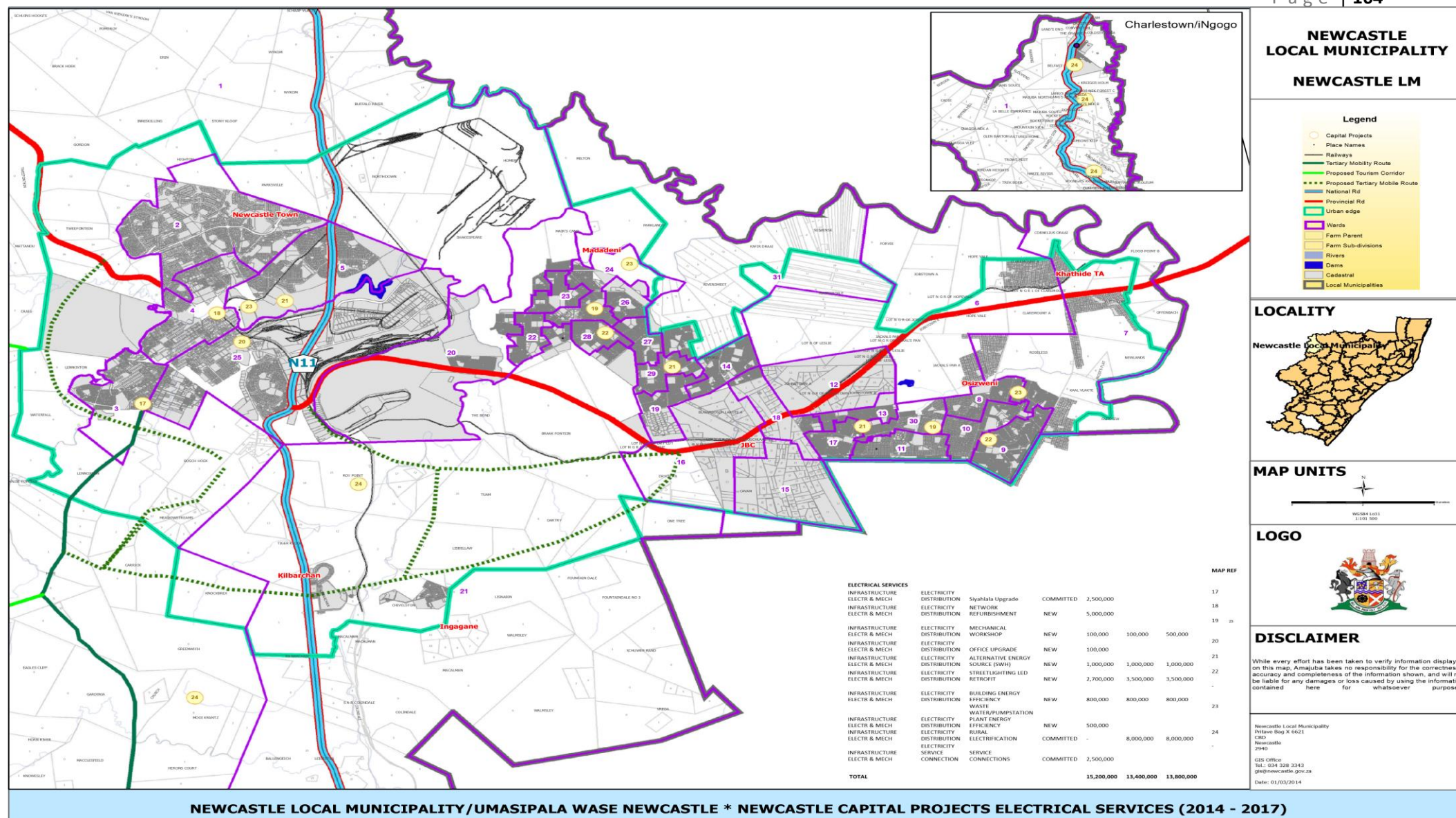
	No. of Households
Electricity	57864
Gas	1624
Paraffin	2663
Wood	4463
Coal	7392
Animal dung	420
Solar	131
Other	13
None	9701
Unspecified	-
Not applicable	-
Grand Total	84272

Source: Stats SA, 2011

Table 30: Access to energy for Lighting.

	No. of Households
Electricity	73449
Gas	402
Paraffin	629
Candles (not a valid option)	9343
Solar	147
None	302
Unspecified	-
Not applicable	-
Grand Total	84272

Source: Stats SA, 2011



Map 6: Newcastle Municipality Capital Projects - Electrical Services (Source: NLM Final SDF 2014/15).

The map above is depicting the capital projects that were initiated by the Department: Electrical Services in the 2014/15 financial year. The projects include, amongst other things, projects towards rural electrification, upgrading of the current level of electricity provision in some settlements such as Siyahlala La, the provision of street lighting, and also service connections. In terms the rural electrification projects, the beneficiaries are the Roypoint Settlement, and the Amajuba Forest in naming just a few. A number of wards are to receive street lighting LED retrofits and these include wards in both Madadeni and Osizweni such as ward 9 and ward 28.

3.5.6. ROADS, STORMWATER AND PUBLIC TRANSPORT

3.5.6.1. ROADS

In terms of road infrastructure, 91% of all roads in Newcastle are in a poor state, of which 732km are unpaved. In an attempt to address this, the municipality has intensified their roads programs over the past 5 years, which addresses primary and secondary roads. The IDP also indicates that the operational budget has significantly increased during this time to ensure minor maintenance through grading and storm-water clearance. A total of 34kms was upgraded over the last five years. The MBO is a priority area for road upgrading.

3.5.6.2. STORMWATER

There is no storm water master plan resulting in *adhoc* projects being identified where complaints are received. Problems are being experienced in the CBD area where concrete pipes are collapsing owing to fatigue from heavy traffic loads. Victoria Mall area has been identified as a problem area as flooding of private property is occurring at various low points. Magnolia Street has insufficient storm water infrastructure and also has been identified as a priority. Storm water damage to the environment is receiving little attention with soil erosion progressing unabated in certain area. Similarly, MBO has been identified as a priority for storm water development and upgrading given the lack of service in this area.

3.5.6.3. PUBLIC TRANSPORT

The majority of public transport facilities in the Newcastle Municipality area is informal and requires serious upgrading. Table 12 below provides a summary of the state of the existing public transport facilities audited in Newcastle.

Table 31: Taxi Ranks

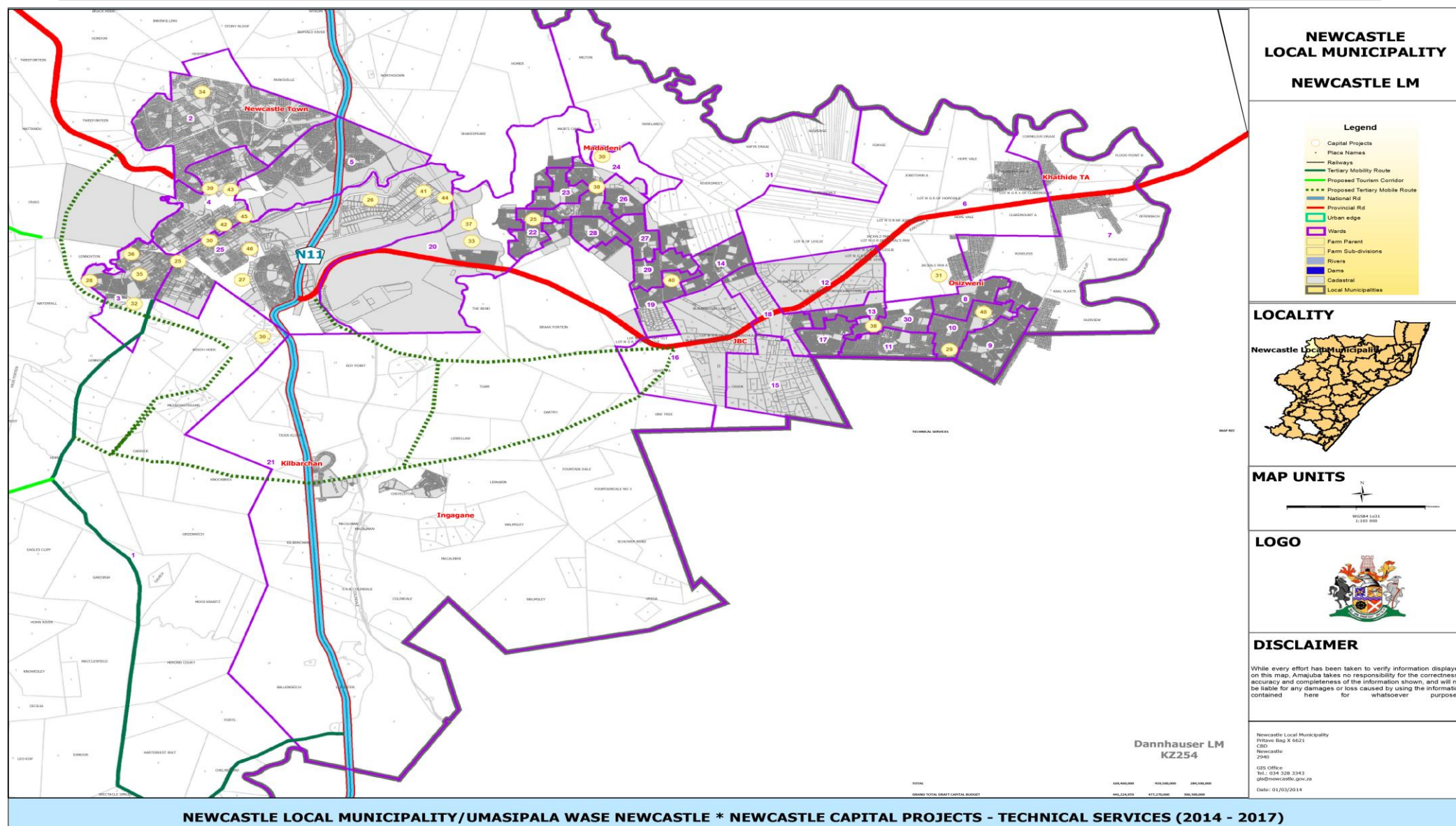
FACILITY NAME – TAXI RANKS.	STATUS	OWNERSHIP	LOCATION
Osizweni Formal Taxi Rank	Formal	Municipal	Off Street
Makhanya Informal Taxi Rank	Informal	Municipal	On street
Top Rank Informal Taxi Rank	Informal	Municipal	On street

FACILITY NAME – TAXI RANKS.	STATUS	OWNERSHIP	LOCATION
9 Mile Informal Taxi Rank	Informal	Municipal	Off Street
Moyomuhle Informal Taxi Rank	Informal	Municipal	Off Street
Madadeni Sec 4&5 Informal Taxi Rank	Informal	Municipal	Off Street
Madadeni Shoprite Checkers Informal Taxi Rank	Formal	Municipal	Off Street
Madadeni Court Informal Taxi Rank	Informal	Municipal	Off Street
Newcastle Formal Taxi Rank	Formal	Municipal	Off Street
Charlestown Informal Minibus-Taxi Rank	Informal	Municipal	Off Street
Ingogo Informal Minibus-Taxi Rank	Informal	Municipal	Off Street
Macadam Informal Bus Rank	Informal	Municipal	Off Street
Newcastle Formal Bus Rank	Formal	Municipal	Off Street

57% (203,9km) of roads in Newcastle being utilised by the public transport industry is unsurfaced. The highest number of vehicles in Amajuba is on the N11 south of Newcastle with high traffic volumes on the main provincial road P483 between Newcastle, Madadeni and Osizweni. The N11 between the P204 (turn-off to Dannhauser) and Newcastle carries in excess of 10 000 vehicles per day while the P483 carries between 5 000 and 10 000 vehicles per day. Specific recommendations regarding upgrading of facilities, development of transport corridors etc. to meet the demand of public transport is highlighted in the PTP.



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2016



Map 8: Newcastle Municipality Capital Projects 2 - Technical Services (Source: NLM Final SDF 2014/15).

3.5.7. SOLID WASTE MANAGEMENT

3.5.7.1. CURRENT WASTE GENERATION

The Integrated Waste Management Plan (IWMP) of the Newcastle Municipality has been recently developed and is essential for the management of municipal solid waste (MSW). During the year 2004, a survey of landfill sites which was conducted by SiVEST from the Amajuba District Municipality, on behalf of the Provincial Planning and Development Commission, estimated that approximately 4 460 tons of waste was being disposed-off to the landfill every month making it approximately 53 520 tons/year based on estimates provided by NLM.

The IWMP from the Amajuba District Municipality (2003) estimates that approximately 103.3 tons and 79.6 tons of waste were generated from the Newcastle West and Newcastle East areas respectively per day for the year 2005. This implies a total of 182.9 tons per day for the combined area which is approximately 66 785.5 tons for the whole of 2005. Capita Waste Projections are used in order to quantify the amount of waste generated within Newcastle Municipality.

In terms of the KZN Department of Agriculture and Environmental Affairs, the following rates regarding the amount of waste generated within the Newcastle Municipality have been assumed:-

- Very poor areas (farm lands) – 0.03kg/person/day;
- Middle income – 0.35kg/person/day; and
- Middle to high income – 0.61kg/person/day.

With regards to the segments of the population that are designated as institutions, an average waste generation rate of 0.35kg/person/day is assumed.

3.5.7.2. CURRENT WASTE COLLECTION

Based on the figures presented on *Table 20* below, it is notable that a high majority of households within the Newcastle's jurisdictional area (71.04%) have their refuse being removed by the local authority/private company at least once a week. This is followed by households who are in possession of their own refuse dump and they constitute 23.21% of the total number of households. A very low percentage (3.91%) of the total number of households within Newcastle does not have access to rubbish disposal.

Table 32: Refuse disposal for households in Newcastle.

Type of service	No. of Households	%
Removed by local authority/private company at least once a week	59 868	71.04%
Removed by local authority/private company less often	321	0.38%
Communal refuse dump	775	0.92%
Own refuse dump	19 564	23.21%
No rubbish disposal	3 300	3.91%
Other	444	0.54%
Unspecified	-	-
Not applicable	-	-
Grand Total:	84 272	100%

Source: Stats SA, 2011

3.5.7.3. LANDFILL SITE

The refuse removal service caters for Newcastle West and Madadeni/Osizweni area. The majority of the households in Newcastle (71.04%) have access to refuse removal by the local authority/private company at least once a week which may be deemed as adequate refuse removal services. About 24.5% of the total number of households within Newcastle have access to inadequate levels of refuse removal services which ranges from households with only access to communal dumps, those that have access to their own refuse dump, and those that have their refuse being removed by the local authority less often. 3.91% of the total number of households have no access to any form of refuse removal what-so-ever. It is projected that per day waste generation will increase to 123.9 tons in the Newcastle West area and 97 tons in the Newcastle East area in 2015. The projected growth is linked to the projected population growth, and emphasises a need for environmentally friendly waste management practices.

The Newcastle Waste Disposal Site (WDS) is nearing the end of its lifespan and the process for developing a new disposal site is well underway with operations on the current waste disposal site projected to close in the year 2017. The current waste disposal site has been in operation since the year 1971 even though the operating permit was obtained in 1994. According to the permit, the site is a Class 2 disposal site.

The current waste disposal site accepts the following waste streams:-

- 👉 Domestic waste;
- 👉 Garden waste;
- 👉 Construction waste; and
- 👉 Commercial waste.

Commercial waste includes the waste that is generated by retail outlets and other related establishments. The waste disposal site also accepts hazardous waste discarded as part of

the general waste stream in the form of oil cans from petrol stations, batteries, weedkillers etc. However, relatively small quantities thereof and their co-disposal with general waste reduces their concentration and consequently their significance.

In terms of the operation of the waste disposal site, the trench method is used whereby waste is deposited in large excavations for landfill purposes. Daily cover material of 150mm is spread over the waste and compacted according to the motivation report for the operating permit application. Each cell is covered with a 1 meter depth of soil after it is filled with waste.

There is no formal pipework for leachate collection within each cell. Polluted and unpolluted stormwater runoff is collected in a cut of trench downstream of the waste pile. The cut off trench is unlined, and flows to a retention pond at the southern end of the site. The pond is not fenced off and is also unlined. Unpolluted stormwater emanating upstream of the site is collected via the road drainage system and does not flow onto the site. Three existing groundwater monitoring boreholes were present on the site. Two are operational whereas one is not functional.

3.5.7.4. ILLEGAL DUMPING

The result of illegal dumping affects the other service sectors, as the illegally dumped waste blocks up storm water drains/manholes, which in turn results in damages to road infrastructure as water builds up at low points and causes flooding. The existing vehicle fleet managing waste of the municipality is satisfactory except for the vehicle used for the clearing of illegal waste which is old and has high maintenance costs. There is a need for law enforcement with regards to the illegal dumping and enforcement of bylaws.

3.5.8. EDUCATION FACILITIES

Access to education facilities seems to be generally good. The municipality is developed with about 118 schools including both primary and secondary schools. This can be broken down further as follows:

- ☛ 10 combined schools;
- ☛ 12 junior primary schools;
- ☛ 7 senior primary schools;
- ☛ 55 primary schools;
- ☛ 34 secondary schools.

The average size of schools, taking into consideration the amount of the population of a school going age, is 995. Planning standards for education facilities reveal that in terms of threshold, NLM should have between 90 and 120 primary schools to accommodate the population size. There is thus a need for additional primary schools.

Table 33: Planning Standards for Educational Facilities

Facility	Catchment population	Distance & Walking time	Location factors	Teacher/children ratio
Primary schools	3 000-4000	1.5km of 30min	Walking distance-1.5km	1:40
Secondary schools	6 000-10 000	5km	Located on public transport route	1:40

Source: Provincial Planning & Development Commission

The application of planning standards in respect of secondary schools indicates that between 36 and 60 secondary schools are needed. The number of schools in the area seems to be adequate, but the quality of each facility and the teacher pupil ratios are important aspects which must be borne in mind for future planning and development in the area.

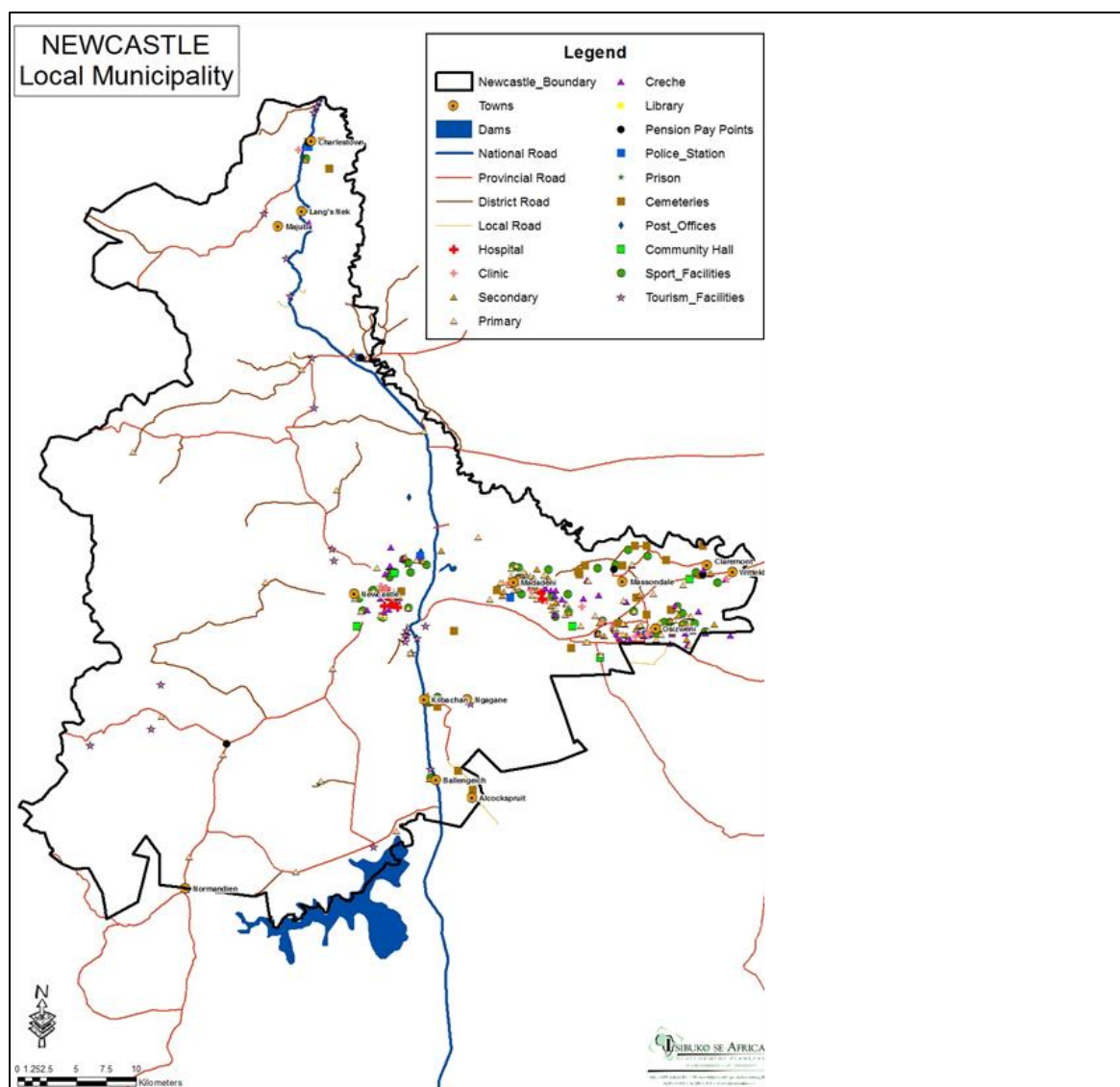
Tertiary education facilities include the old Madadeni College of Education (which is now used as a College for Further Education and Training), the Majuba FET (Newtech Campus), Majuba College FET, and Majuba FETC (MTC Campus).

There are approximately 48 early childhood educational facilities within NLM, which is spread throughout the municipal area. The crèches in the area operate from either a dedicated facility, community facility or a home.

3.5.9. HEALTH INSTITUTIONS

There are approximately twelve mobile clinics that serve the municipality and 10 permanent clinics. The backlog is mainly in the Newcastle East where the majority of the population lives. At least two hospitals are found within Newcastle Municipality. One is located in town while the other is in Madadeni Township. While Madadeni Hospital serves the district function, Newcastle Hospital is classified as a Provincial Hospital and provides service to the whole of Amajuba District and the surrounding areas.

Figure 19: Public Facilities.



Emergency Rescue Services (EMRS) is located in Madadeni. The Newcastle Private Hospital is the only private hospital within the municipal area.

Table 34: Planning Standards for Health Facilities.

Facility	Catchment population	Distance & Walking time	Location factors
Mobile clinic	<5 000	1km / 20min	Located on public transport routes and near taxi and bus ranks and shops.
Clinic	Small: 5 000-10 000 Large: 30 000-50 000	1km / 20min	
Community health centre	70 000-100 000		
Hospital	10 000-80 000	2km(40min) / 5km	

Source: Provincial Planning & Development Commission.

3.5.10. SPORTS FACILITIES

Newcastle municipality has a total of 4 sports complexes, namely Paradise Playgrounds, Phelandaba Playgrounds, Fairleigh and Amajuba Sports Complex. In addition, there is the K.R. Rumelin Stadium, 18 sports fields and the Newcastle Swimming Pool. Newcastle East, particularly JBC and the surrounding settlements are poorly provided with sports facilities. Urban renewal programme in the JBC, and infrastructure upgrading in the MBO areas should prioritise the provision of adequate sports facilities. Parks and play lots should also be prioritised in these areas. The age structure of the population and the dominance of the youth support this assertion.

The municipality is in the process to revamp the Phelandaba sport field thereby providing a range of sporting codes including the soccer field, race track for athletics, volley ball and netball. This project has begun with the development of a swimming pool which will cater for the residents of Madadeni and surrounding areas. The same project will be done in Osizweni in the future years. It is anticipated that these kinds of projects will assist in attracting the youth into the sport while building the healthy communities.

3.5.11. POLICE STATIONS

There are seven permanent police stations in NLM and one satellite station. Services offered range from child protection, serving the community and domestic violence. Newcastle has four libraries, located in its area of jurisdiction, namely the Newcastle Public library, Osizweni, Madadeni and Fairleigh. Newcastle Municipality participates in crime policing forums through the Office of the Speaker. The NLM is in the process of installing the CCV cameras to the CBD, industrial areas, and suburbs and in the townships of Madadeni and Osizweni in order to fight against crime. Special attention is given to hot spot crime zones identified by the SAPS through the installation of high mast lights. These include Eskom licensed areas in the townships and rural areas. The objective is to have a free crime municipality whereby all residents enjoy their lives without fear or intimidation.

3.5.12. LIBRARIES

A main library is located in town while satellite libraries are found in outlying areas such as Madadeni and Osizweni. Provision of libraries in the Newcastle East should be prioritised given the structure of the population and lack of such facilities in the area. Newcastle Municipality has a challenge of maintaining the CBD as a main administrative centre thereby

catering sufficient facilities. A need has been identified to expand the main library or developed a cultural precinct which includes a theatre, museum and library next to the civic centre. Satellite libraries are also considered as a priority for the municipality especially in the rural areas like Charlestown and JBC area. The plans and consultation with the Department of Arts and Culture are underway in order to secure funding for these projects.

Amajuba FET is currently exhibiting positive signs of growth hence posing a challenge to the municipality in terms of the provision of a fully established library centre around the Madadeni area and a satellite library in the Newcastle West area which will specifically cater for engineering and science needs. The proposed 2 libraries will assist thus to decrease the transportation costs for the students of the Amajuba FET.

3.5.13. COMMUNITY HALLS

The municipal area has a total number of nine community halls. Two of these are administered by the district municipality, while the other seven are administered by NLM, namely;

- Madadeni Community Hall;
- Osizweni Community Hall;
- Charlestown Community Hall;
- Richview Community Hall;
- Fairleigh Community Hall;
- Newcastle Farmers Hall; and
- Newcastle Town Hall.

There is a need for additional about 16 halls based on the size and geographic spread of the population. At the moment the majority of the ward Councillors are using the tents to convene their public meetings. This is not financially viable as the price for the hiring of tents is becoming exorbitant. Development of multi-use community facilities which may serve as pension-pay-points, indoor sports facility and place of assembly should be investigated. In view of the above, Newcastle Municipality is investing R14 million towards the construction of Blaauwbosch Multi-purpose Centre/Service Delivery Centre (SDC).

3.5.14. CEMETERIES

Access to burial facilities is one of the key challenges facing the Newcastle Municipality. There are 27 cemeteries (8 formal or registered and 19 informal burial sites). Registered cemeteries

include 3 cemeteries in Charlestown, Roy Point cemetery, Cavan, (Drycut), Newcastle cemetery, Osizweni and Madadeni cemeteries. One of the unregistered cemeteries is Ngagane cemetery to the south of the Newcastle town. However, only two formal cemeteries are in operation, namely RoyPoint and Drycut cemeteries.

Although Drycut Cemetery was properly planned and laid out, it appears that the plan has not been followed. As a result, some graves are located in environmentally sensitive areas, and the facility remains poorly developed. This facility is currently the main cemetery that services the eastern parts of the NLM.

Similarly, the Roy Point Cemetery which serves as a regional facility for the whole of Newcastle and beyond is also fast approaching capacity clearly indicating a need for the identification and development of anew cemetery for the area. Cemeteries in Madadeni and Osizweni have been closed due to unfavourable geological conditions (high water table), as a result the municipality has undertaken the extension of the Roy Point cemetery through the relevant processes.

In response to the above cemetery challenges, the Newcastle Municipality commissioned an investigation of identifying new suitable sites for cemeteries. The project was initially set to be completed by September 2012 and the planning exercise was to begin with the implementation of the Environmental Impact Assessment (EIA), and other processes.

3.5.15. SUSTAINABLE HUMAN SETTLEMENTS

According to the Vancouver Declaration (1976), 'Human Settlements' are defined as "the totality of the human community - whether city, town or village - with all the social, material, organizational, spiritual and cultural elements that sustain it. The fabric of human settlements consists of physical elements and services to which these elements provide the material support." The physical elements entail the following:-

- Improved access to shelter (a house);
- Improved access to basic services;
- Upgrading of land tenure rights;
- Improved access to social facilities and services;
- Affirmation of the integrity and dignity of the settlement beneficiaries;
- Actions towards unlocking the economic development potential of the settlement; and
- Improved access to amenities.

The Newcastle Municipality Housing Sector Plan was adopted by Council in 2010. It provides an analysis of the housing situation within the municipality and outlines strategies to address the backlog and the associated housing problems. It clearly indicates the growth of the urban core and the need to accommodate the ever increasing demand for housing. The result of the ever increasing demand for housing has been the spawn of informal settlements or back-yard shacks. However, this plan is now outdated as it predates the introduction of a new national housing policy and does not provide sufficient guidance towards the development of sustainable urban human settlements.

3.5.15.1. HOUSING NEED

In terms of the housing typologies within the NLM, in the year 2001 77.77% (55 941) of the total number of households were formal housing typologies and this increased drastically in the year 2011 to 88.63% (74 693) marking a 10.86% increase at an annual growth rate of 1.08%. In the year 2001 traditional housing units and informal housing units accounted for 6.40% (4 607) and 9.55% (6 870) respectively. In the year 2011 we saw a positive decrease in the number of traditional housing units and informal housing units to 3.13% (2 642) and 5.29% (4 459) respectively. The census data does not provide information regarding the type and quality of houses. However, it is evident that a large number of people in the eastern part of the NLM reside in houses that are substandard. The total number of households in the NLM is 84 272 and from the total number of households, 4 451 households are informal settlements that are in need of formal housing. On the contrary, the number of people who reside in informal settlements, back yard shacks and other substandard housing units has declined substantially.

Table 35: Typology of main dwelling for households in Newcastle.

Type of main dwelling	2001	2011
House or brick/concrete block structure on a separate stand or yard or on a farm	45 692	71 132
Traditional dwelling/hut/structure made of traditional materials	4 607	2 642
Flat or apartment in a block of flats	6 781	2 167
Cluster house in complex	2 746	361
Townhouse (semi-detached house in a complex)	-	666
Semi-detached house	-	209
House/flat/room in backyard	3 454	2 099
Informal dwelling (shack; in backyard)	2 923	1 892
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	3 947	2 567
Room/flatlet on a property or larger dwelling/servants quarters/granny flat	772	158
Caravan/tent	207	56
Other	-	323
Unspecified	-	-
Not applicable	-	-
Private ship/boat	30	-
Not applicable (living quarters is not housing unit)	767	-
Grand Total:	71 926	84 272

Source: Stats SA Census Data (2001 & 2011).

Furthermore, 95% of the total population resides in the urban part of the municipality. Nearly, 60% (195 216) of Newcastle Municipality's population resides within the eastern settlements along P483. These include the townships of Madadeni and Osizweni, the peri-urban settlements of Johnston, Blaauwbosch and Cavan, and the rural settlements of Khathide and AmaHlubi. Rural areas, dominated mainly by the extensive agricultural farms, account for only 5% of the population. It, therefore, follows that the housing need in the Newcastle Municipal area is concentrated in the urban areas, and occurs as follows:-

- ☛ Informal settlements located in close proximity to Newcastle Town: This entails settlements such as Siyahlalala which indicate a need to create housing opportunities close to areas with higher concentration of employment opportunities.
- ☛ Peri-urban settlements located in the JBC area: The area is poorly provided with basic services and public facilities, yet is one of the areas that have experienced high levels of population growth over the last few years.
- ☛ Settlements located within the Ubuhleбомzinyathi area: this area is rapidly degenerating into urban slums. The majority of these are located to the north of the Osizweni Township and the JBC area.
- ☛ Organized land invasion in areas such as Tuam Farm: Again this serves to highlight a need to create settlement opportunities closer to employment opportunities.
- ☛ Other areas that require attention in terms of the development of sustainable human settlements include the following:
 - ☛ Charlestown area which includes both tenants and informal areas.
 - ☛ Small mining towns, the majority of which are located along the southern boundary of the municipality.
 - ☛ Isolated settlements located on agricultural land such as Ingogo.
 - ☛ Settlements being established in terms of various elements of the land reform programme.

According to the Housing Sector Plan the estimated housing backlog, based on the income profile of the population residing within the NLM jurisdictional area, is sitting at approximately 74 981 households (88.97%). These are basically the households that are eligible for a housing subsidy based on the 2011 Census Data. The housing sector plan further estimates housing backlog at between 19 000 and 30 000 units and a Housing Waiting list of 35 000 people. However, the waiting list has not been updated thus to cater for the changing

circumstances of those who are in the waiting list. There's also a large number of forms which have not yet been captured into the database.

The current projects indicated in the HSP, suggests that the majority of housing need is in the Madadeni/Osizweni (MBO) and JBC complex, which is currently expanding outwards. The housing need is evident in the quality of the existing structure, poor access to basic services and unsecured land tenure. It also relates to the consequences and impact of urbanization and the inflow of people into the urban areas of Newcastle. In order to address the housing need the MBO complex and Newcastle town need to be integrated and the quadrant between P483 and the N11 must be unlocked for housing development.

3.5.15.2. HOUSING DELIVERY.

In stark contrast to the huge demand, Newcastle housing delivery was last done in the past 10 years and delays have been experienced to get housing projects approved and delivered timeously. However, concentrated efforts have been made by the municipality to deliver housing as per the constitutional mandate. The approved pipeline projects are as follows:-

Table 36: Housing projects within Newcastle.

No.	Project Name	Ward	Project Value/ Budget	Total Units/ Total Contractual Target	Implementing Agent	Time Frame/ Project Period
1	Osizweni E Phase 2	9	R 96 556 320.00	1 240	Lekwa Consulting Engineers	2012- 2017
2	Osizweni E Phase 3	9	R 13 601 000.00	643	Amehlo Aluhlaza (implementing Agents) and Abaphumeleli (Main Contractor)	2012- 2017
3	Khathide Phase 2	6/12	R 157 092 350.00	2 000	Siyamthanda Projects	2012- 2017
4	Emawozeni Housing Project	30	R 11 476 638.15	148	Moteko Construction	2014- 2015
5	Madadeni H39 Housing Project	19	R 69 302 520.00	897	Mageba Projects	2013- 2017
6	Siyahlal-la Housing Projects	25	R 93 411 600.00	1 200	Umphele Development	2013- 2018
7	Madadeni Storm Damage Houses	22/23	-	650	Mageba Projects	2014- 2017
8	Charlestown Housing Project	1	R 116 802 000.00	1 500	Dove call Properties	2012- 2018
9	Emawozeni Housing Project	30	R 7 786 800.00	100	Moteko Construction	2014- 2016
10	JBC Phase 1 Housing Project	12/15/16/18	R 156 592 548.00	2 011	Moteko Construction	2014- 2018
11	JBC Phase 2 and 3 Housing Project	12/15/16/18	-	7 500	Moteko Construction	2014-
12	Madadeni Storm Damage Houses- Repair of Roofs	22/23/24/26/28	-	1 850	-	2014-
13	Soul City/ Stafford Hill Housing Project	31	-	3 500	-	2014-
14	Vezokuhle/ Roy point Housing Project	21	-	900	-	2014-
15	Dry cut Rural Housing Project	12	-	1 000	-	2014-

No.	Project Name	Ward	Project Value/ Budget	Total Units/ Total Contractual Target	Implementing Agent	Time Frame/ Project Period
16	KwaMathukuza Extension	20	-	200	-	2014-
17	Soul city Madadeni Section 3	20	-	60	-	2015-
18	JBC Mining Rehabilitation Project- 85 affected Houses	16/18	-	85	-	2015-
19	Ingogo Farm	1	-	1 000	-	2016
20	Normandien	1	-	300	-	2016
21	Bosworth Farm	21	-	1 200	-	2016
22	Wykom	1	-	100	-	2016
23	Amajuba Forest	1	-	800	-	2016
24	Kilbarchan Settlement	21	-	200	-	2016
26	Mndozo Extension Rural Housing Project	7	-	500	-	2015

Future housing projects should go beyond the delivery of housing units and focus on the creation of sustainable communities and settlements. This includes improving access to basic services, social/public facilities and creating opportunities for economic development. The municipality has submitted an application to the Department of Human Settlements for Community Residential Units in Fairley, Central along N11 and social housing next to the private hospital. It is hoped that these housing developments will play a significant role in assisting the municipality to alleviate housing shortages.

3.5.15.3. RENTAL HOUSING STOCK.

The KZN Department of Human Settlements through the Social Housing Regulatory Authority has called in all municipalities in the province to submit proposals for the identification and delineation of Social Housing Restructuring Zones to facilitate the development of Social Housing units. Newcastle municipality has been identified as one of the municipalities to submit proposals for the identification of Social Housing Restructuring Zones for consideration for funding the development of Social Housing units in the Municipality's area of jurisdiction. The Department of Human Settlements is at the same time embarking on the establishment of Community Residential Units which cater for families earning an income of R3500 and less. This leaves a gap in housing provision for income groups earning between R3501 and R7500. The Social Housing project seeks to close this gap and at the same time achieving the objectives mentioned in this report.

The project seeks to achieve the following objectives:

- ☛ Spatial restructuring by bringing lower income people into areas of economic opportunity;

- ☛ Social restructuring by promoting mixing of races and class; and
- ☛ Economic restructuring by promoting spatial access to economic opportunities and job creation through the building of medium density housing.

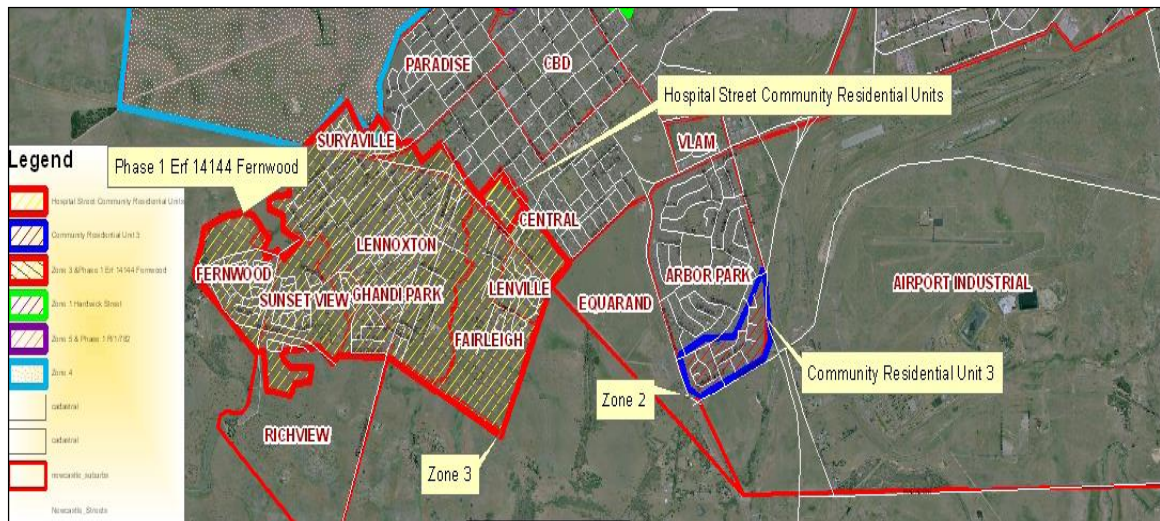
According to the Guidelines provided by the Department of Human settlements, for areas to be identified as Social Housing Restructuring Zones they should satisfy the following criteria:

- ☛ Social Housing Restructuring Zones should often coincide with development nodes (inner-city and decentralized) and corridors;
- ☛ They should not be about regeneration or renewal in townships but could be adjacent to nodes or within corridors linking townships to the city;
- ☛ Ideally restructuring should satisfy all 3 objectives above, but either economic access or mixing of race and class each, on its own can be sufficient motivation;
- ☛ A Restructuring Zone cannot however, be motivated solely on the grounds of creating change in spatial morphology of the city e.g. just for the sake of densification/compaction.

A total of six (6) Social Housing Restructuring Zones have been identified by the Department of Development Planning and Human Settlements of which two have been prioritised. The identification of the restructuring zones is in line with the set guidelines. The six zones are as follows:

- ☛ **Zone 1** – Hardwick Street Social Housing Restructuring Zone.
- ☛ **Zone 2** – Arbor Park Housing Restructuring Zone (**Prioritized**).
- ☛ **Zone 3** – Fairleigh, Lennoxton, Lenville, Fernwood, Restructuring Zone (**Prioritized**).
- ☛ **Zone 4** – Amiel Park, Hutten Heights, Pioneer Park, Aviary Hill, Schuinshoogte, Signal Hill, Sunny Ridge, Barry Hertzog Park, Amajuba Park and Ncandu Park.
- ☛ **Zone 5** - P483 Corridor Mobility Spine, Activity Spines and Activity Nodes.
- ☛ **Zone 6** – Future Development Zones (Erven 15048 and 15049, Newcastle).

Map 9: Prioritized Restructuring Zones 2 and 3



3.5.15.4. INFORMAL SETTLEMENTS

As indicated on table 15 below, informal settlement is one of the key challenges facing the NLM. The total demand for dwelling units (in informal settlements) can thus be calculated at approximately 19 000 units (this figure could however be much higher/lower depending on the number of households for the JBC Informal Settlement).

Table 37: Informal Settlements

SETTLEMENT NAME	NR OF HOUSEHOLDS	POPULATION SIZE	EXTENT	ROAD NETWORK	SANITATION	WATER	REFUSE REMOVAL	ELECTRICITY
Roy Point Informal Settlement	800	1000	50ha	None	Pit Latrines	None	None	None
Charlestown Informal Settlement	1500	6000	56ha	None	Pit Latrines	None	None	None
Bosworth Informal Settlement	500	3500	NA	None	Pit Latrines	None	None	None
Siyahlalala Informal Settlement (Fairleigh)	1000	5500	84ha	None	None	4 Stand Pipes	None	None
Soul City Madadeni Section 3	60	300	NA	None	VIP	Stand Pipes	Collected	None
Soul City : Madadeni Stafford Hill	3000	4500	NA	None	Pit Latrines	4 Stand Pipes	None	Eskom
Dry Cut Informal Settlement	500	2500	NA	None	Pit Latrines	4 Stand Pipes	None	None
Ingogo Informal Settlement	600	3000	NA	None	Pit Latrines	None	None	None
Ingqayizivele Informal Settlement	600	3000	NA	None	Pit Latriness	None	None	None
JBC Informal Settlement	NA	45191	2408ha	Access Roads	Pit Latrines	Stand Pipes	None	Eskom

3.5.15.5. URBAN RENEWAL

Madadeni and Osizweni are the two main townships located within Newcastle Municipality area of jurisdiction. The area, generally referred to as the MBO (Madadeni, Blaauwbosch and Osizweni areas) is the main focus of urban renewal initiatives by the municipality. To this extent, a regeneration framework has been developed as a means to provide guidance, coordination and alignment of sectoral activities to facilitate development of MBO complex. Key performance areas with their identified strategies identified for the MBO complex include:

- ☛ Quality Living Environment: this key performance area deals with strategies to improve the quality of the environment. It includes, amongst others, strategies for conservation, environmental health, rehabilitation and reclaim of degraded areas, air quality, water resource management, waste management.
- ☛ Access to Public Services and Amenities includes strategies for road maintenance, ensuring adequate and reliable bulk resources for all services over next 20 year period site and service strategies, etc.
- ☛ Functional Local Economy: this KPA identifies strategies for recycling programmes, encouragement of home enterprises, mixed activity Economic Opportunity Zones, multi modal transport interchanges at major nodes, secondary residential property market, land tenure upgrading as part of all housing projects, etc.
- ☛ Linkages and Integration: Strategies of importance are inter-neighbourhood linkages, extension of new road linkages towards improved integration, Investment Promotion Office dealing with specifically the former township areas (now economic opportunity zones).

3.5.15.6. UPGRADING AND FORMALISATION OF THE JBC AREA

The JBC Framework identifies six development units or precincts, and recommends that these form the basis of a housing development program in the area. Layout plans and development applications have already been packaged for some of these precincts. It further suggests the following initiatives for the area:

- ☛ Effective environmental management.
- ☛ Provision of bulk engineering services, particularly waterborne sewerage.
- ☛ Upgrading of main transport networks and the associated public transport networks. This includes walkways and pavements.
- ☛ Promoting local economic development through the development of a new town centre in the area.

- Introducing an effective land use management system.

It further acknowledges the importance of P483 as the primary development corridor running through the area, and a number of mixed use strips (activity streets). It also suggests at least three development nodes with the major node being the proposed JBC Town Centre.

3.5.15.7. SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Well-developed infrastructure network. Availability of bulk infrastructure and services to support the economy and meet basic needs. Relatively well-resourced Technical Services Department. Aerodrome with potential to develop as a regional airport. Relatively good road network. Good access to social facilities and infrastructure (schools and health facilities). Level 2 Accreditation for the delivery of housing projects. Blue Drop water status (quality) Spare capacity for electricity 	<ul style="list-style-type: none"> Lack of sector plans particularly Water Services Development Plan. Ageing infrastructure particularly in the CBD and Newcastle West generally. Bulk infrastructure working at capacity (water treatment works). Water losses due to old infrastructure. Limited capacity for future development. Huge housing backlog particularly in the JBC area and informal settlements. Gravel roads in Newcastle East. Slow pace of housing projects. Lack of bulk services in the JBC area. Poor storm water management, particularly in the vicinity of Victoria Mall. Poorly located landfill site. . Illegal dumping.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Urban renewal programme. Municipal Infrastructure Grant and other conditional grants. Informal Settlement Upgrading Programme. Public private partnerships. Development of the New dam (Ncandu) 	<ul style="list-style-type: none"> Increasing rate of urbanisation in areas where there is inadequate bulk infrastructure. Reduction in infrastructure grants from national and provincial government. Old infrastructure in the Newcastle west

3.6. LOCAL ECONOMIC AND SOCIAL DEVELOPMENT

Newcastle Municipality has a legal mandate to promote social and economic development within its area of jurisdiction. It is also required in terms of Section 153 of the Constitution, to structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community. In furtherance of this mandate, Newcastle Municipality has initiated a process towards the development of a Local Economic Development (LED) Plan as a sector plan to the IDP and a strategic guide for promoting equitable economic development.

3.6.1. RACES EXISTING WITHIN NEWCASTLE

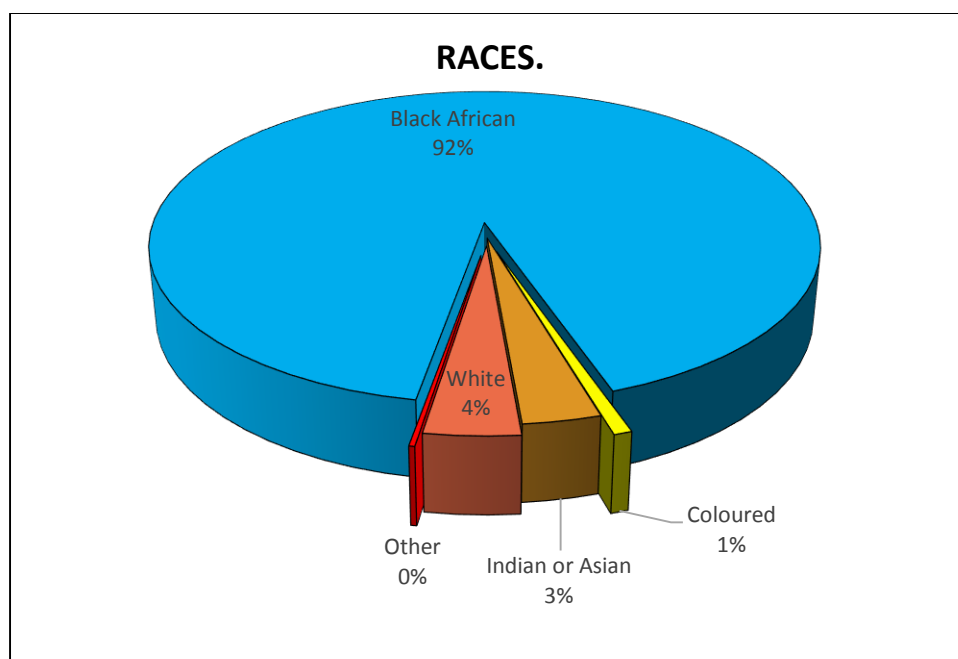
In terms of race, the Black African group makes up the majority of the population in Newcastle at an astounding 91.86% of the total population. The White group makes up the second largest population followed by the Indian or Asian population at 3.93% and 3.22% respectively. The other 0.99% is comprised of either the coloureds and/or other racial groups.

Table 7: Races existing within Newcastle.

	2001		2011	
	Number of people	%	Number of people	%
Black African	302 609	90,88%	333 657	91,86%
Coloured	2 195	0,66%	2 733	0,75%
Indian or Asian	10 128	3,04%	11 686	3,22%
White	18 045	5,42%	14 275	3,93%
Other	-	-	886	0,24%
Grand Total	332 977	100%	363 236	100%

Source: Stats SA –2001 & 2011 Census Data.

Figure 20: Races existing within Newcastle in the year 2011.



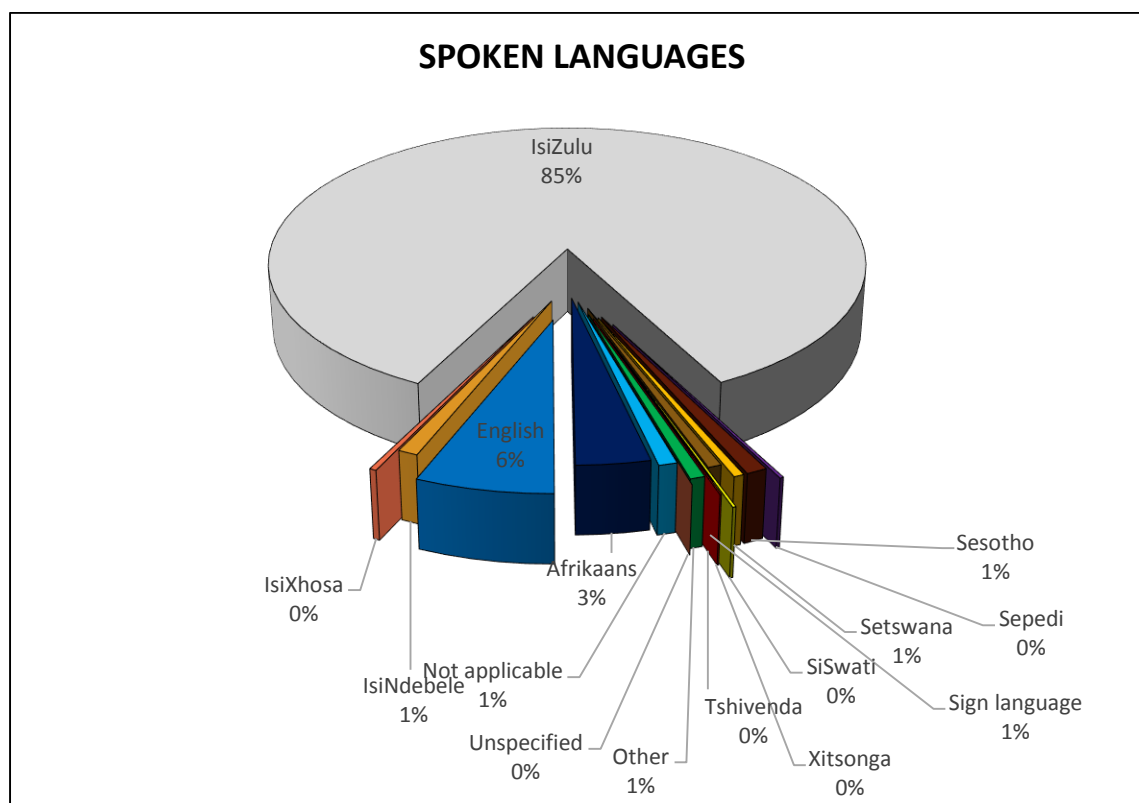
3.6.2. SPOKEN LANGUAGES

The highest concentration of people (84.87%) have IsiZulu as their spoken language followed by English and Afrikaans at 6.33% and 3.46% respectively. 0.63% of the total population uses sign language to communicate whereas the other 4.71% is evenly distributed amongst people who either have Isindebele, IsiXhosa, Sepedi, Setswana, SiSwati, Tshivenda and Xitsonga as their spoken language. Based on the information presented below, it is clear that Newcastle is a multilingual town well-endowed with a wide variety of cultures.

Table 38: Spoken languages within Newcastle.

	Total Number of People	%
Afrikaans	12 574	3,46%
English	22 979	6,33%
IsiNdebele	3 397	0,93%
IsiXhosa	1 154	0,32%
IsiZulu	308 297	84,87%
Sepedi	607	0,17%
Sesotho	3 539	0,97%
Setswana	1 762	0,48%
Sign language	2 309	0,63%
SiSwati	554	0,15%
Tshivenda	129	0,03%
Xitsonga	264	0,07%
Other	2 524	0,69%
Unspecified	-	0,00%
Not applicable	3 148	0,87%
Grand Total	363 236	100%

Source: Stats SA – 2011 Census Data.

Figure 21: Spoken languages.

3.6.3. BLINDNESS AS A DISABILITY

According to *Table 2* below, there is a small number of individuals with blindness as a disability within Newcastle's jurisdictional area. The majority of the people (80.93%) have no difficulties with seeing. Individuals who experience difficulties in this regard collectively constitute 11.27% of the total population, with a higher majority being attributed to the female population. The other 7.80% or so

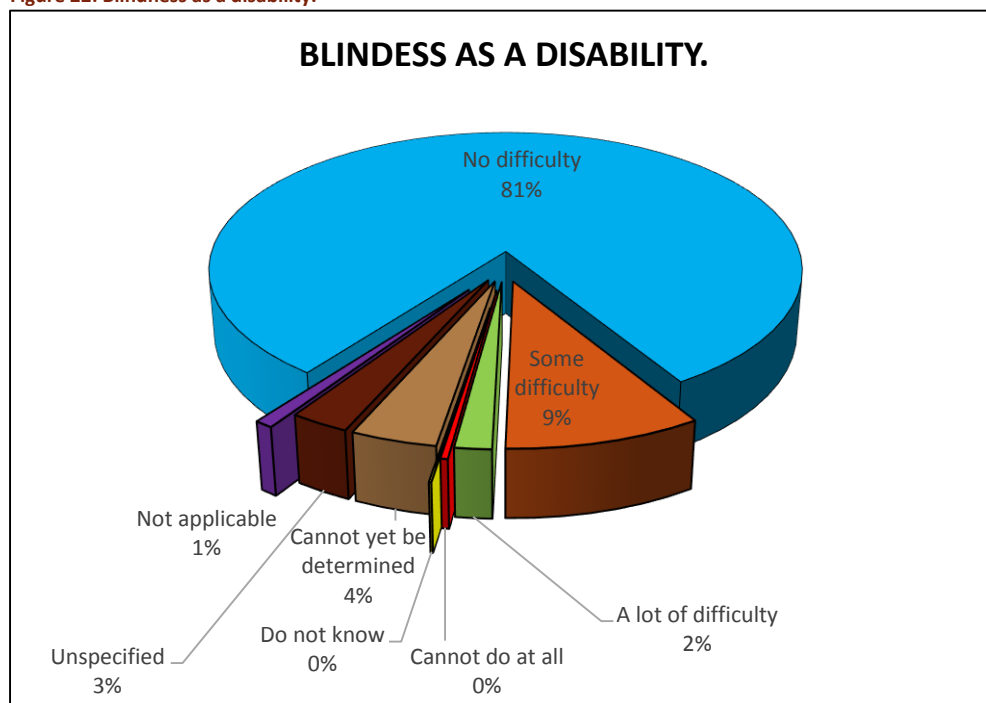
either doesn't know, cannot yet determine whether or not they have difficulties with seeing, are unspecified and/or are not applicable.

Table 39: Blindness as a disability within Newcastle.

	Male	%	Female	%	Grand Total	%
No difficulty	142 919	82,69%	151 059	79,34%	293 979	80,93%
Some difficulty	12 737	7,37%	20 701	10,88%	33 438	9,20%
A lot of difficulty	2 295	1,33%	3 993	2,09%	6 288	1,73%
Cannot do at all	587	0,33%	651	0,35%	1 239	0,34%
Do not know	209	0,13%	186	0,09%	395	0,11%
Cannot yet be determined	7 239	4,19%	7 414	3,89%	14 654	4,04%
Unspecified	4 805	2,78%	5 280	2,77%	10 085	2,78%
Not applicable	2 045	1,18%	1 103	0,59%	3 148	0,87%
Grand Total	172 837	100%	190 389	100%	363 225	100%

Source: Stats SA – 2011 Census Data.

Figure 22: Blindness as a disability.



3.6.4. COMMUNICATION IMPAIRED AS A DISABILITY

Regarding *Table 9* below, a higher majority (89.21%) of the population within Newcastle has got no difficulties in communicating through speech. About 2.24% of the total population experiences difficulties in this regard with a higher majority being concentrated amongst the male population. The other 8.55% either doesn't know, cannot yet determine whether or not they have difficulties with communicating, are unspecified and/or are not applicable.

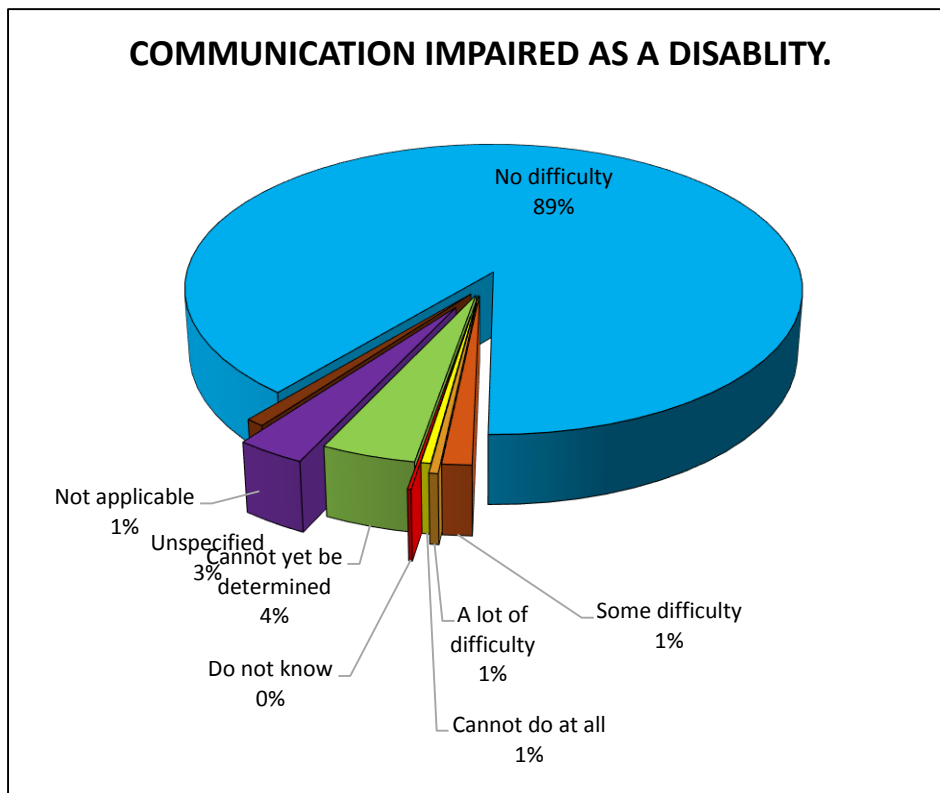
Table 40: Communication impaired as a disability within Newcastle.

	Male	%	Female	%	Grand Total	%
No difficulty	153 216	88,64%	170 827	89,72%	324 043	89,21%
Some difficulty	2 374	1,38%	2 594	1,36%	4 967	1,37%
A lot of difficulty	802	0,47%	745	0,39%	1 547	0,42%

	Male	%	Female	%	Grand Total	%
Cannot do at all	857	0,49%	763	0,41%	1 620	0,45%
Do not know	319	0,19%	262	0,13%	582	0,16%
Cannot yet be determined	7 776	4,49%	8 050	4,23%	15 826	4,36%
Unspecified	5 448	3,16%	6 044	3,18%	11 492	3,16%
Not applicable	2 045	1,18%	1 103	0,58%	3 148	0,87%
Grand Total	172 837	100%	190 389	100%	363 225	100%

Source: Stats SA – 2011 Census Data.

Figure 23: Communication impaired as a disability.



3.6.5. DEAFNESS AS A DISABILITY

Table 10 below depicts a situation which conforms to the norm regarding deafness as a disability within Newcastle. A high majority of the population within Newcastle (88.50%) have no difficulties in terms of hearing problems. 3.58% of the total population has experienced a variety of difficulties in this regard with the majority concentrated amongst the female population. The rest of the other 7.92% either doesn't know, cannot yet determine whether or not they have difficulties with hearing, are unspecified and/or are not applicable.

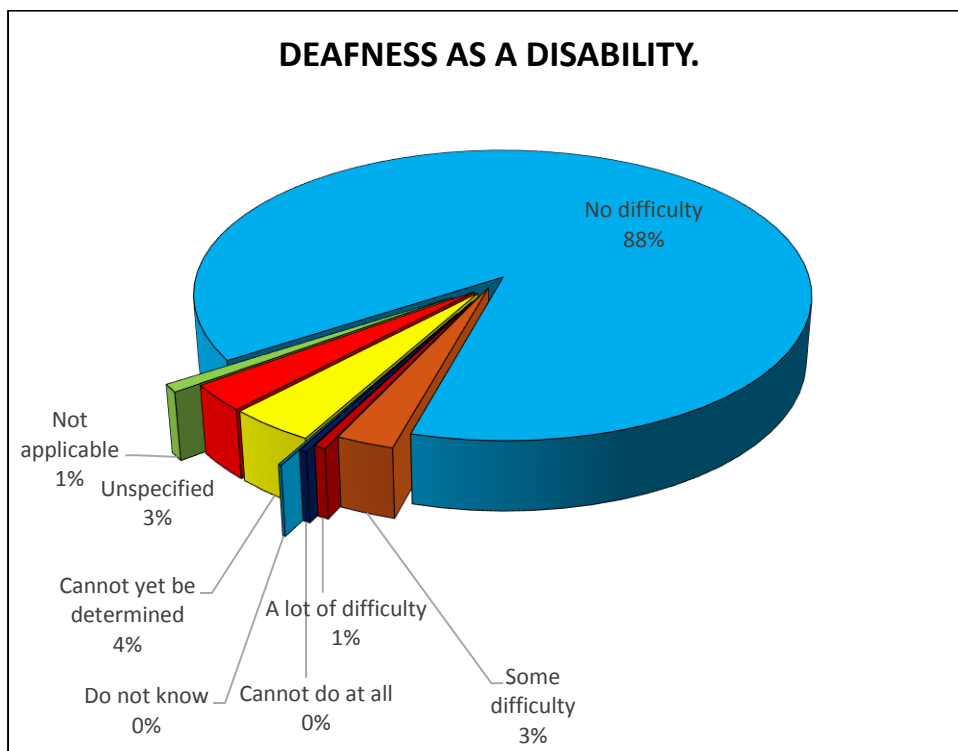
Table 41: Deafness as a disability.

	Male	%	Female	%	Grand Total	%
No difficulty	152 776	88,39%	168 695	88,60%	321 471	88,50%
Some difficulty	4 039	2,34%	5 702	2,99%	9 741	2,68%
A lot of difficulty	849	0,49%	1 104	0,58%	1 953	0,54%
Cannot do at all	674	0,39%	655	0,34%	1 329	0,36%
Do not know	241	0,14%	229	0,12%	470	0,13%

	Male	%	Female	%	Grand Total	%
Cannot yet be determined	7 141	4,13%	7 346	3,86%	14 487	3,99%
Unspecified	5 071	2,93%	5 555	2,93%	10 626	2,92%
Not applicable	2 045	1,19%	1 103	0,58%	3 148	0,87%
Grand Total	172 837	100%	190 389	100%	363 225	100%

Source: Stats SA – 2011 Census Data.

Chart 2: Deafness as a disability.



3.6.6. WALKING AND/OR CLIMBING STAIRS AS A DISABILITY

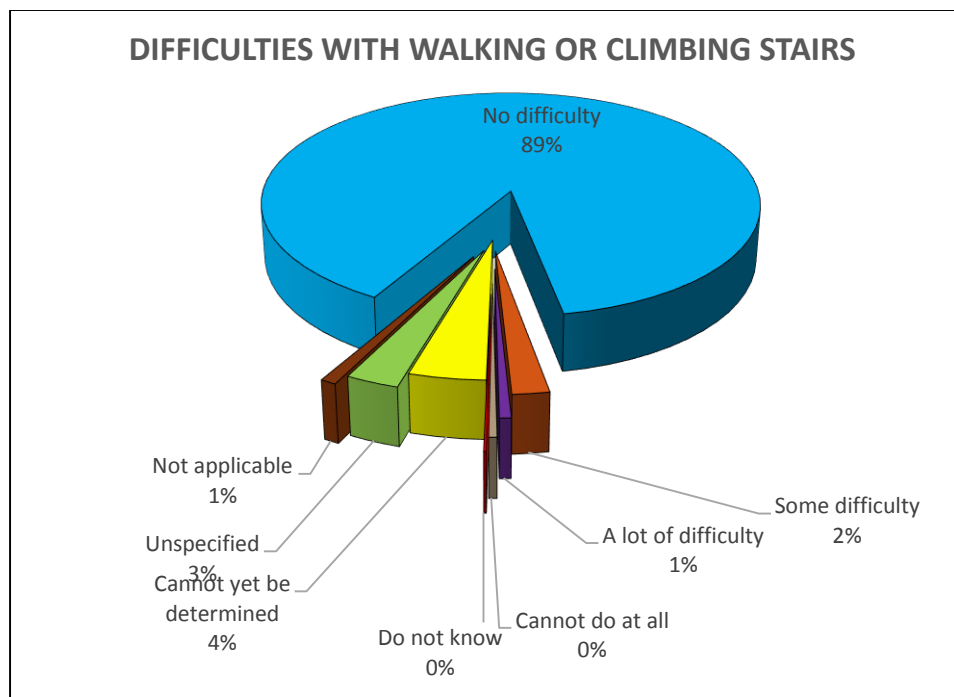
The majority of the population within Newcastle (88.81%) does not have any difficulties with regards to walking and/or climbing stairs. 3.07% of the total population may be deemed as having difficulties with walking and/or climbing stairs with the highest concentration being amongst the female population. The other 8.12% either doesn't know, cannot yet determine whether or not they have difficulties with hearing, are unspecified and/or are not applicable.

Table 42: Walking and/or climbing stairs as a disability.

	Male	%	Female	%	Grand Total	%
No difficulty	153 639	88,89%	168 962	88,74%	322 601	88,81%
Some difficulty	2 806	1,63%	4 517	2,37%	7 324	2,02%
A lot of difficulty	855	0,49%	1 385	0,74%	2 239	0,62%
Cannot do at all	749	0,43%	805	0,42%	1 553	0,43%
Do not know	247	0,15%	221	0,12%	468	0,13%
Cannot yet be determined	7 505	4,34%	7 821	4,12%	15 326	4,22%
Unspecified	4 991	2,88%	5 575	2,93%	10 566	2,91%
Not applicable	2 045	1,19%	1 103	0,56%	3 148	0,87%
Grand Total	172 837	100%	190 389	100%	363 225	100%

Source: Stats SA – 2011 Census Data.

Figure 24: Waking or climbing stairs as a disability.



3.6.7. REMEMBERING/CONCENTRATING AS A DISABILITY

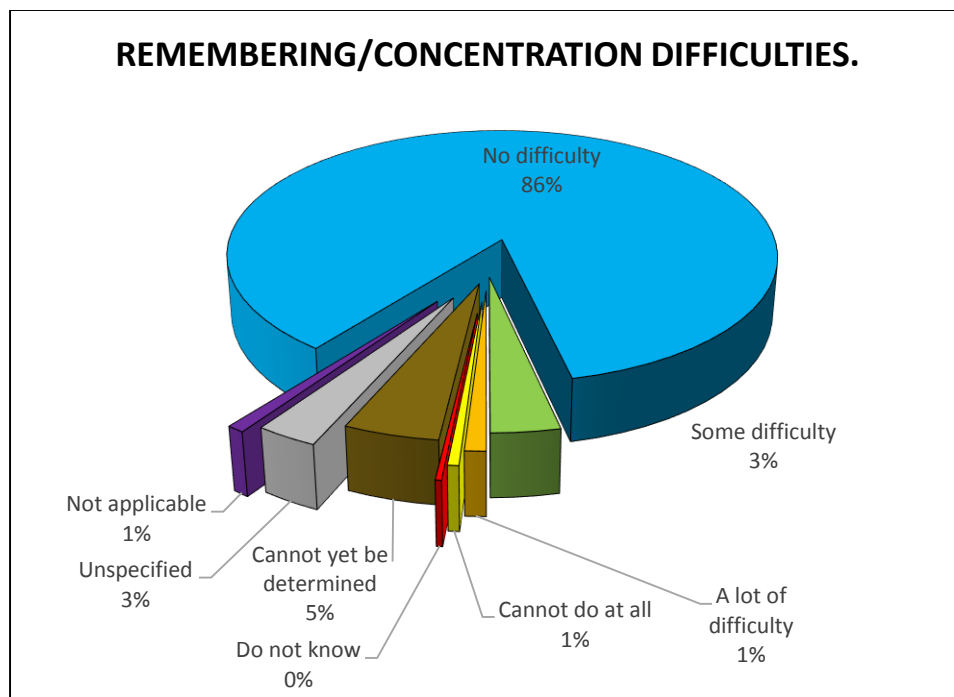
Most of the people within Newcastle (85.96%) do not have any problems related to remembering/concentrating as a disability. Approximately 5.06% of the total population experiences difficulties in this regard whereas the rest of the 8.98% either doesn't know, cannot yet determine whether or not they have difficulties with remembering/concentrating, are unspecified and/or are not applicable. In terms of gender, the male population experiences a higher degree of difficulty with remembering/concentrating as a disability when compared to the females.

Table 43: Remembering/concentrating as a disability.

	Male	%	Female	%	Grand Total	%
No difficulty	148 613	85,98%	163 634	85,95%	312 247	85,96%
Some difficulty	5 216	3,02%	7 339	3,85%	12 555	3,46%
A lot of difficulty	1 595	0,93%	2 234	1,17%	3 829	1,05%
Cannot do at all	1 057	0,61%	955	0,50%	2 012	0,55%
Do not know	574	0,33%	531	0,28%	1 106	0,30%
Cannot yet be determined	8 487	4,91%	8 752	4,59%	17 239	4,75%
Unspecified	5 248	3,04%	5 841	3,08%	11 090	3,06%
Not applicable	2 045	1,18%	1 103	0,58%	3 148	0,87%
Grand Total	172 837	100%	190 389	100%	363 225	100%

Source: Stats SA – 2011 Census Data.

Figure 25: Difficulties with concentrating/remembering.



3.6.8. SELF-CARE AS A DISABILITY

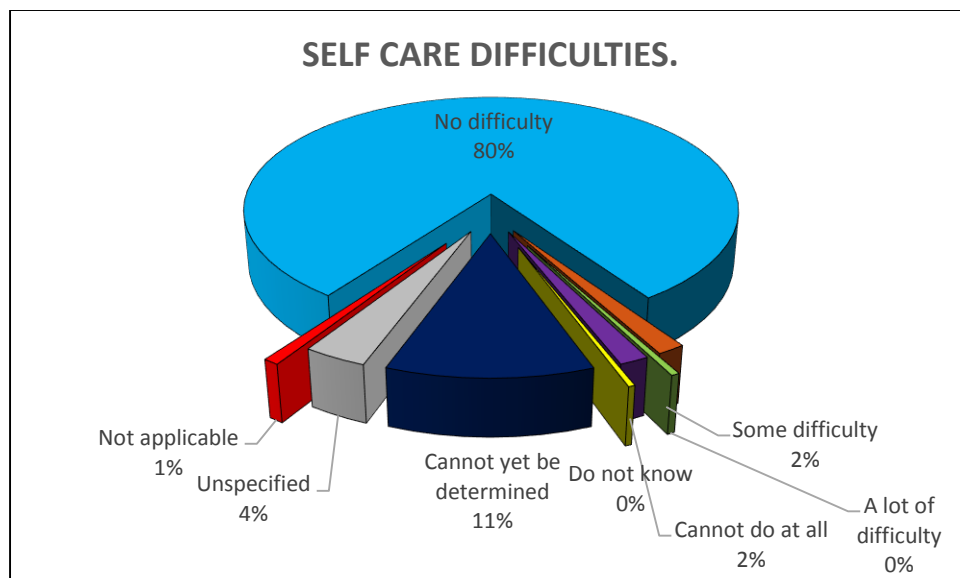
The majority of the population within Newcastle (80.44%) is not experiencing any difficulties regarding self-care. 3.61% of the total population experiences difficulties in this regard with the majority concentrated amongst the female population. The rest of the 15.95% either doesn't know, cannot yet determine whether or not they have difficulties with regards to self-care, are unspecified and/or are not applicable.

Table 44: Self-care as a disability.

	Male	%	Female	%	Grand Total	%
No difficulty	137 383	79,49%	154 759	81,28%	292 141	80,44%
Some difficulty	2 642	1,54%	2 979	1,56%	5 621	1,55%
A lot of difficulty	817	0,48%	826	0,43%	1 644	0,45%
Cannot do at all	2 977	1,72%	2 846	1,49%	5 823	1,61%
Do not know	664	0,37%	662	0,36%	1 325	0,36%
Cannot yet be determined	20 353	11,78%	20 513	10,77%	40 866	11,25%
Unspecified	5 956	3,44%	6 702	3,53%	12 657	3,48%
Not applicable	2 045	1,18%	1 103	0,58%	3 148	0,86%
Grand Total	172 837	100%	190 389	100%	363 225	100%

Source: Stats SA – 2011 Census Data.

Figure 26: Difficulties with self-care.



3.6.9. MIGRATION PATTERNS

The majority of the individuals residing in Newcastle are originally from the KwaZulu-Natal Province. Based on the figures presented in *Table 15 and 16* below the majority of immigrants into Newcastle emanate from the Gauteng Province with the second largest group coming from the Mpumalanga Province and subsequently Free State. In terms of race, the majority of the immigrants are Black Africans which are followed by the Whites. The cause for immigration into Newcastle may largely be attributed to the rapid development of the town as a regional services center within the Northern KwaZulu-Natal region hence employment opportunities. In terms of gender, the majority of the individuals who immigrate into Newcastle entails the female population. Since the year 2001, there has been an increase in the number of immigrants to Newcastle from Gauteng, Mpumalanga and the Free State Province at an average annual immigration growth rate of 2.76%, 0.07%, and 1.08% respectively over 10 years since 2001 to 2011.

Table 45: Immigration to Newcastle from different provinces.

	Western cape	Eastern cape	Northern cape	Free state	Kwazulu-Natal	North west	Gauteng	Mpumalanga	Limpopo	Grand Total
Black African	103	380	46	670	297 493	126	1 712	1 287	169	302 531
Coloured	57	26	24	3	2 054	-	40	24	-	2 264
Indian or Asian	44	18	-	12	9 969	9	36	30	12	10 154
White	78	112	48	168	16 515	85	515	312	54	18 037
Other	-	-	-	-	-	-	-	-	-	-
Grand Total	282	536	119	852	326 031	220	2 302	1 653	235	332 985

Source: Stats SA – 2001 Census Data.

Table 46: Migration to Newcastle from different provinces.

	Western cape	Eastern cape	Northern cape	Free state	Kwazulu-Natal	North west	Gauteng	Mpumalanga	Limpopo	Outside South Africa	Do not know	Unspecified	Grand Total
Black African	97	478	160	714	322 283	67	2 452	1 444	115	1 475	12	4 359	333 657
Coloured	31	21	26	6	2 474	-	34	14	-	16	-	110	2 733
Indian or Asian	33	18	3	24	10 933	5	140	44	5	372	3	105	11 686
White	93	108	63	210	12 551	46	520	270	59	79	5	272	14 275
Other	3	9	1	1	448	3	33	-	2	349	5	29	886
Grand Total	258	634	253	955	348 689	122	3 179	1 771	181	2 292	25	4 875	363 236

Source: Stats SA – 2011 Census Data.

3.6.10. CHILD-HEADED HOUSEHOLDS.

According to *Table 34* below, out of the total number of households within Newcastle (84 272 households), 1.3% (1 128) of the total number of households is headed by a child who is either 18 years old or younger. In terms of gender, the majority of the child-headed households are headed by males (61.52% of the total 1 128 child headed households) as compared to the females. Out of the total number of child-headed households, 5.23% is employed, 4.25% is unemployed, 1.59% entails discouraged work seekers, whereas a high majority (58.59%) is not economically active meaning they may still be attending school. The other 30.34% is composed of child-headed households with children that are younger than 15 years of age.

Table 47: Child-headed households.

	Employed	Unemployed	Discouraged work-seeker	Other not economically active	Age less than 15 years	Grand Total
Male	48	27	9	409	201	694
Female	11	21	9	252	141	434
Unspecified	-	-	-	-	-	-
Grand Total	59	48	18	661	342	1 128

Source: Stats SA – 2011 Census Data.

In terms of the table below, the annual household income of the child-headed households within Newcastle, the majority is living below the lower bound poverty line of 1.25\$ (PPP\$) per day, which is currently R14,67 in terms of the Dollar to Rand exchange rate. The majority of the households living below the lower bound poverty line have no income what-so-ever and they constitute 48.9% (552) of the total number of child-headed households. The implications behind this alarming figure is that such households are leaving in abject poverty hence necessitating some form of intervention.

Table 35: Annual income of child-headed households.

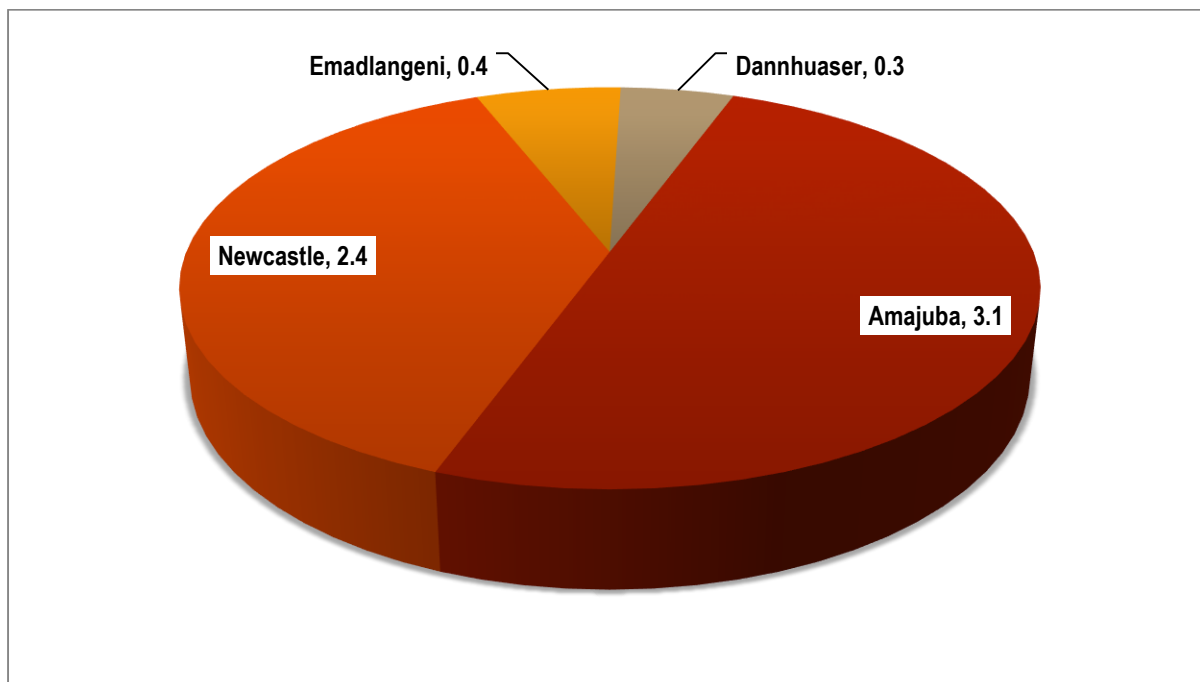
	No income	R 1 - R 4800	R 4801 - R 9600	R 9601 - R 19 600	R 19 601 - R 38 200	R 38 201 - R 76 400	R 76 401 - R 153 800
Male	367	119	89	60	30	13	2
Female	185	64	72	48	37	15	6
Unspecified	-	-	-	-	-	-	-
Grand Total	552	183	161	108	67	28	8
	R 153 801 - R 307 600	R 307 601 - R 614 400	R 614 001 - R 1 228 800	R 1 228 801 - R 2 457 600	R 2 457 601 or more	Unspecified	Grand Total
Male	7	4	-	1	-	-	694
Female	4	2	-	1	-	-	433
Unspecified	-	-	-	-	-	-	-
Grand Total	12	7	-	2	-	-	1 128

Source: Stats SA – 2011 Census Data.

3.6.11. GROSS VALUE ADDED

The figure below indicates that Newcastle Municipality accounts for the majority share of the Gross Value Added for Amajuba District. This confirms the dominance of Newcastle in the region and its role as the main economic hub.

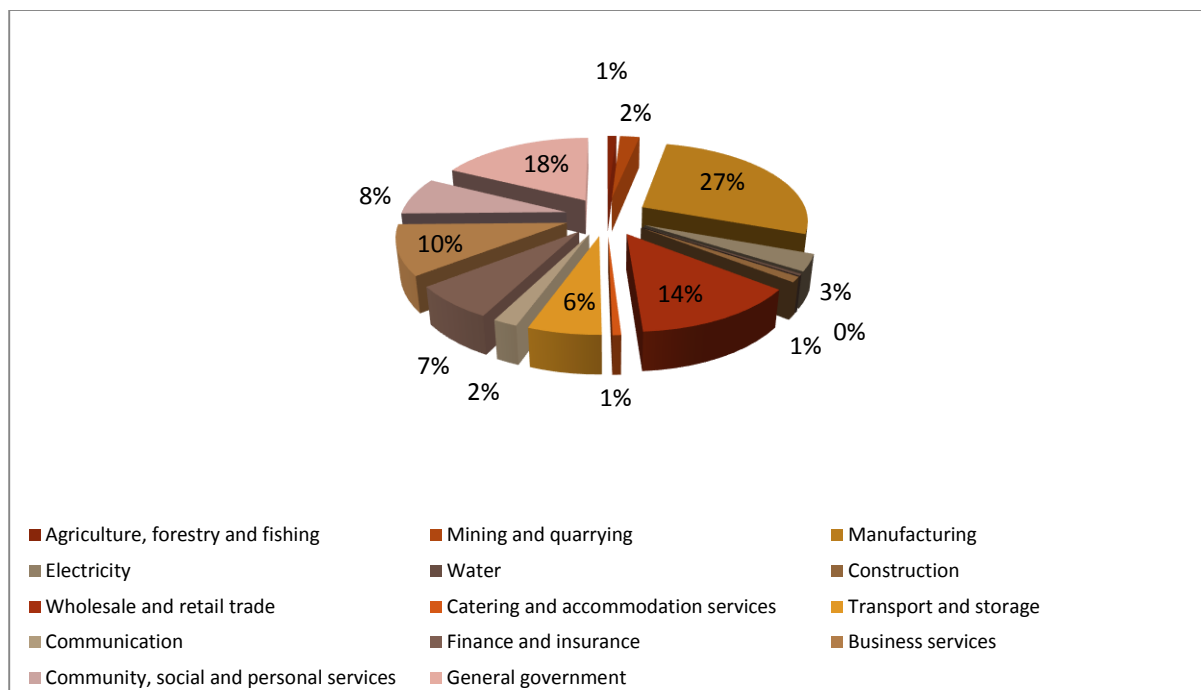
Figure 27: Gross Value Added (GVA) - Current Prices (R000)



Source: Global Insight 2012

The economy of Newcastle is largely driven by the manufacturing sector, which contributes approximately 27% to total GVA. This equates to almost R2,9 billion of the total R10,5 billion GVA generated within the district. This is higher than both the district GVA in relation to its contributions within KZN, and the provincial GVA contribution within the country which is approximately 25% and 22% of total GVA respectively. The manufacturing sector has only experienced modest growth in the past decade (2000 – 2010), with an average real annual GVA growth rate of 0.6%, in comparison with the provincial average growth of 2.2%.

Figure 28: Economic Sectors



Source: Urban-Econ calculations based on Quantec Data (2012).

Other key sectors in terms of GVA contribution are the general government sector; wholesale and retail; and finance and business services sector. GVA generated through general government services is approximately R1,8 billion, which contributes 17.6% to total GVA. This sector has experienced average annual real growth of 2.6% per annum. Just over 17% of GVA can be attributed to finance (6.9%) and business services (10.2%), which collectively generate R1.8 billion worth of GVA to the Newcastle economy.

These have also been the fastest growing subsectors, with finance and insurance services growing at an average rate of almost 9% per annum since 2000, and business services growing at 6.2% over the same period. Wholesale and retail trade contributes R1.4 billion to the local economy, which accounts for almost 14% of total GVA. Wholesale and retail trade have been growing at a modest rate of 2.63% per annum from 2000 – 2010.

3.6.12. KEY ECONOMIC DRIVERS

3.6.12.1. TEXTILE INDUSTRY

The textile industry has been on a downward spiral for some time due to competitiveness related issues. The cost of labour as a cost driver and input in the production process has been the main issue under the spotlight. This decline was foreseen by Robbins, et al (2004) who, in their foresight, suggested ten recommendations to recover and turn the sector towards positive growth. These recommendations are as follows:-

- ☛ Appointment of a part-time clothing project facilitator who would coordinate the industry form a steering committee consisting of the Department of Economic Development and Tourism (DEDT) and Newcastle Municipality.
- ☛ Facilitation of the bargaining council labour dispute.
- ☛ Creation of a high level partnership between various stakeholders, including DTI.
- ☛ Establishment of a clothing business development centre.
- ☛ Provision of support in export standardization and grading.
- ☛ Re-evaluation of investment marketing processes.
- ☛ Formulation and implementation of a diversification strategy to include service and retail growth.
- ☛ Establishment of the Amajuba Business Centre.
- ☛ Creation of partnerships between Ladysmith and Newcastle based industries.
- ☛ Address the question of HIV and Aids which is known to affect productivity.

Except for the diversification of Newcastle's economy towards service industries, none of the above recommendations have been implemented and, as a result, the textile industry might have suffered significant challenges in the past decade. The Provincial Department of Economic Development, Tourism and Environmental Affairs has identified the district of Amajuba as a textile industrial hub. It is hoped that the industrial hubs programme will resuscitate the industry in Newcastle.

3.6.12.2. STEEL INDUSTRY

The steel industry has been under pressure and this has been evident through the 2015 massive job losses, plant closure, and a sustained threat in terms of further job losses.

Newcastle has the second biggest steel plant in the country. The industry has been in disagreement with government over import parity prices adopted by the industry and the carbon tax. In light of the recent pressure on the industry, an alliance consisting of government, labour and the industry held a series of meetings to discuss the state of the industry and measures that could be employed to curb job losses and defend the local industry in the context of global trade.

The industry submitted 10 core demands to government that would ensure competitiveness, sustainability of the industry, and to protect jobs within the industry. These core demands include the following:-

- ☛ Imposing tariffs on cheap imports from China.
- ☛ Focusing on steel for government infrastructural spending.
- ☛ Urgent roll out of government 18 key infrastructural projects.
- ☛ Banning of scrap steel exports so that local industries can benefit.
- ☛ Delaying implementation of the carbon tax.

3.6.12.3. CHEMICALS AND PLASTICS INDUSTRIES

The industry in Newcastle is largely focused on the export market with about 85% of output intended for the export market. The industry in Newcastle is well established, suitably located closer to a gas pipeline, and has support from the municipality through efficient electricity supply. Whilst the industry is reasonably stable, the lack of demand for output produced due to a variety of factors from both a global and local perspective is a significant factor affecting growth prospects of the industry. The current global financial crisis may have dire consequences to the local economy if it persists for a longer period.

3.6.12.4. WHOLESALE AND TRADE

This sector is mainly supported by the general well-being of the local economy hence necessitating good performance thereof in order to encourage increased consumption from consumers. Increased consumption sustains the this sector and also ensures employment based on its high labour requirements.

3.6.12.5. GENERAL GOVERNMENT

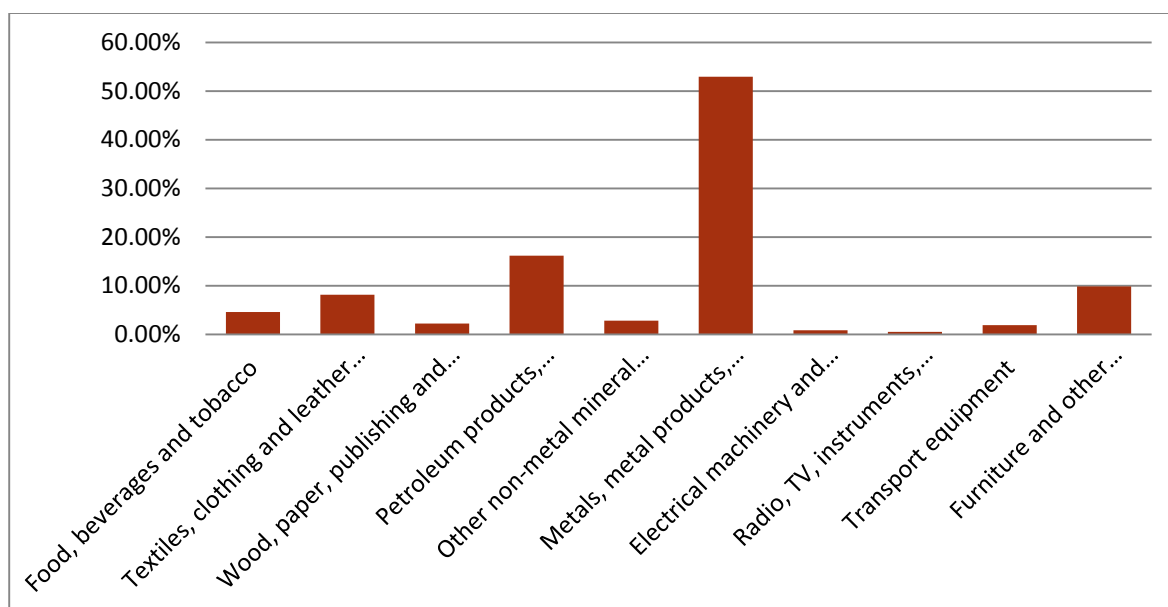
This category is generally stable in terms of employment with Newcastle also accommodating some of government's regional offices. There is a need however, and this relates to the

attraction of more departments to boost employment further. The establishment of SARS offices is evidence of the prospective outlook of Newcastle.

3.6.13. MANUFACTURING

Manufacturing is the largest contributing sector within the district economy, contributing approximately 25.2% to total GVA. Manufacturing activities in Amajuba include metal production, chemicals and plastics, pharmaceuticals, clothing and textiles, food and beverages, leather and footwear. Large industries are located within Newcastle and they account for over 83% of total GVA in the Amajuba manufacturing industry, followed by Dannhauser with 12.7% and Emadlangeni with 3.8% of GVA.

Figure 29: Distribution of Manufacturing GVA (Newcastle 2010)



Source: Urban-Econ calculations based on Quantec Data (2012)

Newcastle has a strong base of existing infrastructure geared towards manufacturing, and is considered an important node within the wider provincial manufacturing sector. Although the ArcelorMittal steelworks and the Karbochem synthetic rubber plant (which covers an impressive 500 000 m² of manufacturing space), dominate the Newcastle industrial portfolio, there is a wide range of manufacturing undertakings sharing in the economic growth of the region.

The manufacturing sector consists of strong clusters of manufacturing industries, and has historically attracted a large number of foreign (mainly Chinese and Taiwanese) manufactures due to incentives offered. The sector is however dominated by a few large firms, which presents the opportunity to diversify the manufacturing base to promote the growth of SMME's within the sector.

The graph above displays the breakdown of the manufacturing sector in terms of contribution to total manufacturing GVA within Newcastle. Overall, the manufacturing sector has only experienced modest growth since 2000, with average annual growth floating around 0.6%. The 'metals, metal products, machinery and equipment' industry contributes 53% to total manufacturing output within Newcastle, followed by 'petroleum products, chemicals, rubber and plastics' with 16%. This is largely due to the contribution of major manufacturers such as ArcelorMittal, Siltech, and Karbochem. The metals industry has also experienced the greatest average annual growth since 2000 of 2.5%. 'Transport equipment', although only contributing around 2% to GVA, experienced an average annual growth rate of 1.5% since 2000.

Table 48: Formal Employment within Newcastle by Industry

Industry	Number employed	Average annual growth (2000 – 2010)	Percentage contribution
Food, beverages and tobacco	435	-6.0%	3.8%
Textiles, clothing and leather goods	4878	-6.7%	42.6%
Wood, paper, publishing and printing	346	-5.2%	3.0%
Petroleum products, chemicals, rubber and plastic	840	-3.5%	7.3%
Other non-metal mineral products	416	-6.1%	3.6%
Metals, metal products, machinery and equipment	3173	-3.0%	27.7%
Electrical machinery and apparatus	130	-4.9%	1.1%
Radio, TV, instruments, watches and clocks	74	-4.9%	0.6%
Transport equipment	169	-6.9%	1.5%
Furniture and other manufacturing	992	-3.4%	8.7%
Total / average	11454	-5.1%	100%

Source: Urban-Econ calculations based on Quantec Data (2012)

Furniture and other manufacturing contributes 10%, while the 'textiles, clothing and leather goods' industry contributes 8% to total GVA within Newcastle. Both these sectors have experienced negative growth, with average annual growth at -0.57% and -1.5% respectively. Other less significant contributors are 'food, beverages and tobacco (5%)' and 'other non-metal mineral products (3%)', with 'transport equipment' and 'wood, paper, publishing and printing' both contributing 2%. The 'non-metal mineral product' and 'wood and paper industries' experienced the most negative growth rates with -3.3% and -3.1% per annum on average since 2000 respectively.

The table above illustrates formal employment within the manufacturing industries in Newcastle, the percentage contribution of each industry, as well as average annual growth in employment from 2000 – 2010. It is clear from the table above that the textile industry is the largest contributing employment sector, with over 42% of total employment in manufacturing. This is despite the industry only contributing around 10% to total GVA, which indicates that textiles has the potential to create large amounts of employment. This industry

has however experienced one of the highest negative average annual growth rates since 2000, of -6.7% per annum.

Newcastle accounts for approximately 86% of all textile and footwear manufactures in the district. The industry is however under threat, with a large number of textile manufacturers recently being closed down due to non-compliance with labour regulations. This has significantly reduced the size of the textile industry, over and above the decline already experienced over the past few years due to the dominance of Chinese textiles, with thousands of jobs being shed in the past few months already. Many textile manufacturers who cannot afford to comply with labour regulations have reverted to using their factory space as storage for imported textiles from China, while others are relocating to Lesotho and Mozambique. These countries present low labour costs as their competitive advantage. A major concern on the side of textile manufactures is that there has been little to no support for them during these bargaining council discussions. This issue is a complex one, especially because it results from National labour regulation, and therefore cannot be resolved through local initiatives.

The worrying factor is that this industry accounts for over 40% of employment in the municipality, which is estimated to have declined by at least half since the end of 2010. The metals industry, despite contributing the greatest to total GVA, only contributes 27.7% to total employment. This indicates that the industry is less labour-intensive than industries such as textiles. Other significant contributing industries are 'furniture and other manufacturing' with 8.7% of total formal employment, and 'petroleum products, chemicals, rubber and plastic' with 7.3% of formal employment. Of concern is the decline in employment within all industries of the manufacturing sector since 2000. The sector has declined at an average annual rate of -5.1%, which represents a loss of over 8000 jobs within this sector between year 2000 – 2010. The strategy must ensure that job losses are addressed as a priority while taking steps towards the creation of new jobs within key industries.

3.6.14. TOURISM

With the need for fast tracking the growth and facilitation of Local Economic Development as a mechanism to generate wealth through business attraction and investment, and to create more viable and quality work opportunities for the local population of Newcastle, the Newcastle Local Municipality developed a comprehensive Tourism Development Strategy and an Implementation Plan which was drafted in 2013. The NLM Tourism Strategic Objectives, Targets and Vision are aligned with the District's targets as presented below:-

Table 49: Summary of the district's strategic clusters.

Strategic Cluster	Strategic Thrust
Marketing – tourism growth & development (demand)	<ul style="list-style-type: none"> • Market Amajuba's strength: Meetings, Incentives, Conferences and Events • Expand and improve tourism information outlets and tools • Branding and route development
Product Development and Planning	<ul style="list-style-type: none"> • Meetings, conferences and events product development • Heritage, avi-tourism and nature based tourism product development • Other niche markets, accommodation and recreational product development • Infrastructure and support services development
People in tourism	<ul style="list-style-type: none"> • Ensure quality experiences through service excellence • Ensure transformation in the tourism industry • Increase tourism awareness
Policy, strategy, governance, research & knowledge management monitoring & evaluation	<ul style="list-style-type: none"> • Improve tourism management through institutional and policy arrangement • Improve tourism management through improved research and knowledge management • Entrench responsible tourism principles

The vision for tourism in Newcastle was developed based on inputs from key stakeholders, as well as considering alignment issues with the vision for tourism in KZN. The vision for the Newcastle tourism destination takes the following elements into consideration:-

- ☛ **Nature and outdoor** – there are a variety of protected areas, conservancies and nature reserves in the area, which is important for the type of tourism to be developed in the area;
- ☛ **Adventure** – the abundance of outdoor and rural experiences lend the area towards adventure tourism;
- ☛ **Heritage** – there are a number of important heritage assets, experiences and historical events associated with the Newcastle area;
- ☛ **Friendly, welcoming people** – the warmth and friendliness of the local people is a major component of the destination's attractiveness based on feedback from visitors to Newcastle;
- ☛ **Prosperity** – to emphasise the fact that a properly developed tourism industry can result in prosperity for the stakeholders in the Municipality; and
- ☛ **More than just a place to do business** – to indicate that the study area is a destination that is also attractive for leisure and other purposes of visit.

Table 50: NLM's measurable objectives with their baselines and targets.

Amajuba Strategic Objective	Amajuba Targets			Newcastle Objective Validation	Newcastle Objective Specification	Newcastle Targets			Comments / Suggested Monitoring Tool
	2010 Baseline	2015 Target	2020 Target			2011 Baseline	2020 Target	2023 Target	
Increase in tourism economic contribution or GDP levels (direct) (Note: this is catering and accommodation sub-sector GDP)	R54,4 million (0,6% of district GDP)	R108,8 million	R163,2 million	Forecasted growth rate for Newcastle higher than CAGR for 2001-2011 (3,0%) but lower than projected for Amajuba (12,0%). CAGR of 6,0% applied for Newcastle.	Increase in tourism GDP	R49,5 million	R83,6 million	R99,6 million	Monitor through GDP data from Stats SA
Increase in number of foreign visitors	3 348	7 000	10 500	Growth rate of Newcastle based on TMP adjusted downwards to 3,6% CAGR for foreign visitors and 4,8% for domestic visitors. Used 2020 target instead of 5-year target for Newcastle in order to align to TMP growth targets.	Increase in foreign visitors	19 748 (comprising 10 892 overnight tourists and 8 856 day visitors)	27 138 (equates to 20 additional visitors per day compared to baseline)	30 171 (equates to 29 additional visitors per day compared to baseline)	Could be undertaken with a key number of representative tourism establishments every 6 months (i.e. Municipal Tourism Sector Index) to assess visitation movement. Total visitation can be projected on an annual basis based on total tourism product database.
Increase in number of domestic visitors	39 500	76 000	95 000		Increase in domestic visitors	400 200 (comprising 174 877 overnight tourists and 225 323 day visitors)	608 441 (equates to 571 additional visitors per day compared to baseline)	699 626 (equates to 820 additional visitors per day compared to baseline)	
Increase the number of people employed in the sector (direct)	1 292	2 584	3 876	Applied equivalent CAGR to GDP forecasts	Increase the number of people employed in the sector	1 366 employed in catering & accommodation sub-sector (2% of total)	2 308 (equates to 105 additional jobs per year compared to baseline)	2 749 (equates to 115 additional jobs per year compared to baseline)	Monitor through employment data from Stats SA

Amajuba Strategic Objective	Amajuba Targets			Newcastle Objective Validation	Newcastle Objective Specification	Newcastle Targets			Comments / Suggested Monitoring Tool
	2010 Baseline	2015 Target	2020 Target			2011 Baseline	2020 Target	2023 Target	
Increase the number of people employed in the sector (indirect)	1 977	3 280	3 515	Applied equivalent CAGR to GDP forecasts	Increase the number of people employed in the sector	2 090	3 531 (equates to 160 additional jobs per year compared to baseline)	4 088 (equates to 166 additional jobs per year compared to baseline)	Monitor through the use of economic multipliers
Increase in public sector/ government investment in tourism infrastructure	No baseline data available	No targets provided	No targets provided	Based on value of investments required to achieve targeted GDP growth	Increase in public sector/ government investment in tourism infrastructure	R10 million	Public sector to provide financial and other forms of support to at least 8 tourism related projects by 2023 (total value >R120 million)		Add in requirement to include increase in public sector investment in general, not just in infrastructure. Track IDP Plans.
Increase in private sector capital formation (for new and existing projects)	No baseline data available	No targets provided	No targets provided		Increase in private sector capital formation (for new and existing projects)	R15 million	New, private sector led tourism investments in the Municipality (to comprise 60% of targets for public sector investment , i.e. R70 million by 2023 to be sourced from private sector		Larger projects are easier to record/ measure than smaller projects. Track via Tourism Sector Index
Increase in levels of “foreign” direct investment in the tourism industry	No baseline data available	No targets provided	No targets provided	Focus is not on FDI but any direct investment from investors originating from outside of the Municipality not necessarily outside of South Africa	Increase external direct investment in the tourism industry	No baseline data available	50% of above tourism investments from new investors not already based in the Municipality		Investment is important, but “foreign” investment is not imperative. Constant communication with industry.
Increase the number of tourism industry companies with Tourism Charter BBBEE ratings	No baseline data available	No targets provided	No targets provided	Same as TMP and District Strategy	Increase the number of tourism industry companies with Tourism Charter BBBEE ratings	No baseline data available	50% with a scorecard	60% with a scorecard	One of the questions in Tourism Sector Index would be to assess increase/decrease in transformation measures.

Amajuba Strategic Objective	Amajuba Targets			Newcastle Objective Validation	Newcastle Objective Specification	Newcastle Targets			Comments / Suggested Monitoring Tool
	2010 Baseline	2015 Target	2020 Target			2011 Baseline	2020 Target	2023 Target	
Increase percentage ownership of tourism businesses by PDIs	No baseline data provided	No targets provided	No targets provided		Increase the percentage of tourism businesses owned by PDIs	Estimated at 13% of accommodation establishments	Increase overall ownership by PDIs to 20%	Increase overall ownership by PDIs to 25%	One of the questions in Tourism Sector Index would be to assess increase/decrease in transformation measures.
Improve visitor experiences	No baseline data available	No targets provided	No targets provided	To deliver world class visitor experience in respect of identified core experiences for the Municipality	Strive to be the best performing area within the provincial satisfaction index	No baseline data available	80%+ on satisfaction index	85%+ on satisfaction index	Undertake ad-hoc event visitor surveys in area and include visitor satisfaction as factor to monitor.
Expand visitor experiences	No baseline data available	No targets provided	No targets provided	Based on value of investments required to achieve targeted GDP growth	Increase in investment in tourism infrastructure	Refer to infrastructure investment targets			
Increase meetings, conferences and events held in the Municipality	No baseline data available	No targets provided	No targets provided	Same as District Strategy	Strive to be the events capital of inland KZN	No baseline data available	Increase number of meetings, conferences and events held by 20%	Increase number of meetings, conferences and events held by 30%	Maintain a database of events. Track meetings and conferences held through Municipal Tourism Sector Index.
Niche market growth	No baseline data available	No targets provided	No targets provided	Same as District Strategy	Increase in number of visitors from niche markets	No baseline data available	Develop targets once baseline established		Could be undertaken with a key number of representative tourism establishments every 6 months (i.e. Municipal Tourism Sector Index) to assess visitation movement. Track number of niche market tours/tour operators that visit the Municipality, e.g. visitor book surveys.

The tourism sector is currently a small contributor to the region's economy, but holds a number of opportunities that can be explored. NLM forms part of the Battlefields Route and this route is known to attract 7% of foreign visitors to KZN annually and approximately 42 000 domestic tourists (TIKZN Tourism Statistics, 2010). Amajuba has developed a Tourism Development Plan, as well as a development plan for the Battlefields route. The Tourism Development Plan seeks to implement strategies that would create facilities and the marketing of draw card attractions and activities in the district, while the Battlefields Development Plan seeks to the Battlefields located within the Amajuba District Municipality that have never reached their full tourism potential.

It is estimated that NLM generates approximately R116m in tourism related business per annum, with tourism related establishments generating R165m and creating 1 066 jobs in the municipality (Tourism Sector Report: 2004). Comparative advantages identified within Newcastle's Tourism Sector include the following:-

- ☛ Strong and well preserved historical heritage with well-developed museum structures.
- ☛ Falls within the Zulu kingdom and engenders good linkages to this cultural heritage.
- ☛ Halfway point on N11 between two major centres, Johannesburg and Durban.
- ☛ Gateway to Battlefields Region.
- ☛ Long history of hosting national sporting events.
- ☛ Well-established adventure tourism in pristine natural surroundings.

The main emphasis with regards to the development of the tourism sector within Newcastle relates to business and sports related tourism. This shall be done through deliberate efforts towards the development of higher order sports facilities and also the attraction of high impact events as calendar events. Newcastle will strive to make itself known for periodic gatherings attracting people locally and outside in order to exploit the economic spin-offs for the benefit of the town. Upon analysis of the proposed direction towards the development of the tourism sector within Newcastle, it was decided that there is feasibility solely based on the ideal spatial positioning of the town relative to the wider region which makes such events sustainable. The following table entails some of the programme towards transforming the local tourism players:-

STRATEGIC GOAL 3: DEVELOPMENT AND SUPPORT FOR THE TOURISM SECTOR		
Diversification of Tourism Attractions and Activities	Although there are a fairly wide range, the tourism activities within Newcastle, potential exists to enhance the sector through development of new activities and attractions. Sports tourism, in particular, has the potential to attract a wide range of visitors to the area throughout the year, and it is suggested that the municipality continue to work closely with tourism operators to identify new sporting events that could be established within Newcastle. Various tourism opportunities have also been identified during the Amajuba Tourism Strategy (2012) of which those key to the Newcastle area have been pulled through into the strategy.	Development of the Battlefields as part of the Amajuba Tourism Route (including cultural tourism).
		Action plan and funding to support establishment of business tourism and event tourism (particularly Sport Tourism).
		Development of opportunities along the MR483 Corridor linking the Newcastle CBD to Madadeni and Osizweni.
		Promote the development of Avi-Tourim (birding).
		Development of Ncandu River Dam Tourism.
STRATEGIC GOAL 4: IMPROVING THE INSTITUTIONAL AND POLICY ENVIRONMENT TOWARDS EFFECTIVE LED		
SMME Participation within the Tourism sector	The tourism sector comprises mainly of small business, from single-owned accomodation facilities to one-man tour guide services. The inclusion of small business is therefore critical to the success of tourism and, in particular, the development of informal and micro-tourism operators. This programme deals with the development of small busienss within the sector, focussing on the Tourism Ambassador programme, developpment of tour guide and site management training and capacity, identification of potential funding sources for tourism start-ups.	Continue support for the Tourims Ambassador Programme and create linkages with established operators.
		Provide Tour Guide and Site Management Training.
		Identification of potential funding for Tourism start-ups.

3.6.15. AGRICULTURE

Agriculture contributes about 0.7% to the local economy. While the contribution of the agricultural sector in Newcastle may seem particularly low, it remains an important sector for the following reasons:

- ☛ The sector has the potential to create jobs.
- ☛ The pursuit of national food security requires continued agricultural production and investment.
- ☛ While primary production accounts for 4.5% nationally, the larger agro-food complex contributes an additional 9% to GDP (South Africa, 2001). This contribution to GDP is concealed in the manufacturing and trade sectors GDP figures.
- ☛ A focus of support to agriculture is important to build capacity and productivity in land reform projects.
- ☛ Agricultural development and support is aligned with prevailing rural development policy objectives.
- ☛ There are a number of catalytic agricultural projects that have been identified for Newcastle Municipality.

Animal production, Forestry and Agronomic (Field) crops are the key farming enterprises in the region. The high contribution of Beef cattle sales emphasises the high proportion of grasslands occurring in the area. Maize for the production of grain is the major agronomic crop, followed by Soya and Wheat.

Dairy was a significant contributor to Provincial GFI in 2002. Local Farmers Association members report that the Northern Natal Dairy Cooperative, which used to service 28 Dairy farmers in the Normandien area, was bought out by Clover and subsequently shut down. The cooperative acted as a catalyst for dairy and value adding projects. There used to be 28 dairy farmers in the Normandien area and since the closure of the Cooperative, numbers of dairy farmers has declined to three active dairy farmers in the area (Philipps, pers comm).

According to local farmers, the key commodities produced in Newcastle are:

- ☛ Agronomic crops – mainly soya, maize and wheat
- ☛ Commercial timber plantations
- ☛ Extensive beef production

- ☛ Poultry – broiler and layer production
- ☛ Wool and mutton in some regions, although this is on the decline
- ☛ Other manufacturing and processing activities are as follows:
 - ☛ Cattle and sheep abattoir – halaal
 - ☛ Poultry abattoir
 - ☛ Grain mills – mostly private, with mill maize for whole maize, crush for poultry and maize meal for human consumption – hominy chop sold off as an animal feed
 - ☛ Local soya processing.

Agriculture in Newcastle faces a number of challenges. These include issues of land tenure and freehold, low penetration of commercial farming activity, low skills base of emerging farmers, land claims, increasing production costs, high transport costs etc.

Amajuba District Municipality commissioned a district level agricultural plan, which was completed in 2006. The main agricultural potential areas of the Amajuba District Municipality are intensive farming, irrigation, dry land farming and stock farming. The focus of Newcastle Municipality's agricultural planning is centred on the following investment opportunities:

- ☛ Soya bean production linked into oilcake and biodiesel production.
- ☛ Dairy products have massive potential. This include dairy based agro-processing opportunities for yoghurt, ice-cream, powdered milks, custards production.
- ☛ Floriculture, which is a sub-sector gaining momentum in the international export markets. Both traditional (roses, carnations and crysants) as well as indigenous (proteas, fynbos and bulbs) flowers are growing in popularity. The ideal location between two major export hubs (Durban International Airport and OR Tambo International Airport) makes Newcastle highly suited to flower exports to Europe and the Middle East.
- ☛ Agri-processing: Expanded production in fruits, vegetable and nuts generates new opportunities for specialist agro-processing. Juicing, drying and canning are all reasonably low capital cost options for fruit processing while opportunities for cold processing (vegetables, herbs and aromatic plants), nut cracking and pressing, distillation of essential oils and hot processing of citrus (jams and spreads) are all highly viable in Newcastle.
- ☛ Meat processing (both game and cattle) is an attractive option for investment. Game meat has grown in market share both locally and internationally. The Agricultural Plan

estimated that an additional 30000ha of grazing land is currently underutilized in the municipality, representing a considerable opportunity in the offing.

- ☛ Aquaculture development with the major thrust being an aquaculture processing plant.

3.6.16. NEWCASTLE INFORMAL/STREET TRADE POLICY (2014)

The growth and thriving dynamics of the informal economy in Newcastle have necessitated a regulatory framework for the industry. The intension of to regulate the informal economy in the municipality and this forms part of the municipality's commitment towards addressing poverty and unemployment effectively and in a sustainable manner. Up till June 2014 the informal economy in Newcastle was unregulated, a situation which creates ad hoc and tense interactions between the municipality and the informal economy. Such disputes and consultations places constraints upon the informal economy's ability to operate optimally hence undermining local economic development within Newcastle. Therefore, the Newcastle Local Municipality made efforts towards providing a comprehensive, coordinated, effective and developmental framework for the most viable part of the informal economy, street trading.

3.6.16.1. APPROACH AND RATIONALE

The policy takes into cognisance the various dynamics and scope of the informal economy within Newcastle, as prescribed by the KZN Provincial Guidelines on the informal economy. The provincial policy considers, as informal economy, all economic activities which operate outside the law. This also refers to activities which do not comply even though they are legitimate and well-intended activities, which thus means it places emphasis on the question of "where" as opposed to "what" to trade. However, the definition excludes what the policy refers to as the 'underground economic activities' which basically entails activities which, by law, should not take place regardless of their location.

While the municipality acknowledges the existence of a wide range of informal economic activities taking place within its boundaries such as taxi operations, domestic workers, home based workers, commercial sex workers, as well as street traders, the municipality prefers to limit its regulatory scope to informal traders, otherwise referred to as street traders. This focus is consistent with the national policy on the informal economy which deliberately focuses on street trade with regulatory interest. The policy adopts the same definition of informal trade adopted by the national and provincial policies and the definition reads as follows:-

“Unregulated nature of activities such as subsistence agricultural workers, domestic workers, home-based workers, and commercial sex workers or those businesses which are not registered by VAT and are also not subject to other formal regulation or taxation, especially in retail and hawking” (StreetNet International: 2003).

The most comprehensive definition is found in the informal trading policy of the City of Johannesburg which reads as follows:-

“Economic activity by individuals and/or groups involving the sale of legal goods and services, within public and private spaces, which spaces are generally unconventional for the exercise of such activity. It is generally unorganized and not always registered as a formal business activity. In its most basic, informal trading takes place on streets and pavements, on private property (used primarily as the entrepreneur’s place of residence) and tends to require little more than the actual goods and services to set up” (Informal Trade Policy for the City of Johannesburg: 2007).

Furthermore, the policy adopts the national scope of street trading which includes the following:-

- ☛ Traders who conduct their business (goods or services) in public open spaces such as along streets and pavements, as well as road or street intersections;
- ☛ Mobile trading;
- ☛ Stationery or fixed containers;
- ☛ Spaza shops; and
- ☛ Special purpose markets such as flea markets, converted or renovated building etc.

3.6.16.2. OBJECTIVES

The objectives of the Newcastle Informal/Street Trade Policy are as follows:-

- ☛ To regulate informal trade in a productive way;
- ☛ Put forward the municipality’s position on informal support;
- ☛ Determine where informal trade businesses should be clustered, and by so doing guide the municipality’s spatial planning;
- ☛ Identify all relevant stakeholders and determine their role in supporting informal trade;

- Provide the most effective way of optimising the potential of informal trade in the Newcastle Municipality; and
- Ultimately establish relevant and effective By-laws which should guide the management of informal trade.

3.6.16.3. INFORMAL TRADE CENSUS

An Informal Trade Census was conducted in Newcastle in order to establish the existing population of the informal traders, and, upon completion, it was discovered that there are specific types of trade activities occurring and these are as follows:-

Table 51: Types of informal activities occurring in Newcastle.

GOODS	SERVICES
Confectioneries (sweets and cakes)	Hair dressing/salon
Fresh produce (fruits and vegetables)	Telephone
Cooked food ready to eat (e.g. mealies, pap, braai meat etc.)	Car wash and mechanical work
Clothing	Shoe repairs
Leather goods (e.g. leather bags, belts etc.)	Salon services
Clothing and textile	Car guards
Leather goods (e.g. leather bags, belts etc.)	
Toiletries and cosmetics	
Footwear	
Traditional and cosmetics	
Footwear	
Toiletries and cosmetics	
Footwear	
Traditional medicine	
Fresh produce	
Sunglasses, jewellery and cell phone accessories	
Household products	
Processed food	
Cooked food ready to eat	
Leather goods	
Cigarettes	
Livestock (chicken etc.)	
Hardware	
Music/DVDs	
Electronics	
Medicine (Pharmacy including traditional medicine)	

Furthermore 10 Enumeration Areas, based on physical visibility of the informal traders and the intensity of the informal trading activity. These are as follows:-

Table 52: 10 Enumeration areas in Newcastle.

ENUMERATION AREA	GENERAL ZONE	STREET OR LAND MARK
EA1	Newcastle Central Business District	Allen, Scott, Montague, Terminus
EA2	Newcastle Central Business District	Allen, Scott, Hardwick, Church
EA3	Newcastle Central Business District	Allen, Scott, Hospital, Montague
EA4	Newcastle Central Business District	Allen, Scott, York, Hardwick
EA5	Lennoxton area and surroundings	Scott and St. Dominics Street T-Junction robots
		Boundary street – across Capricon bar/hotel
		St. Dominics and Tagore Street – across Lincoln Heights Secondary School

ENUMERATION AREA	GENERAL ZONE	STREET OR LAND MARK
		Paradise Sportsfield and S. E. Vawda Primary School
		Kirkland Street – at the shelters
		Loxton and Drapper Street – across Lennoxton Primary School
EA6	Western suburbs and surroundings	Allen street – across DBM Attorneys and McDonalds
		Voctoria and Allen Street across Amajuba Mall, across Majuba Lodge, Across KFC/Toyota dealership
		Allen and Drakensburg Street Intersection. F. W. Beyers Avenue at Amajuba FET Entrance
		John Parks and Drakensburg Road – across Lennoxton Primary School
EA7	The New Mall and surroundings	Ladysmith Drive – across the Black Rock Casino and Newcastle Mall. Across BMW Dealership
		Albert Wessels Drive and Faraday Street robot intersection (Vlam entrance to town from indutrial area)
EA8	Albert Wessels Corridor	Albert Wessels Drive – across Zama Filling Station
		Diesel Road and Albert Wessels Drive T-Junction robots – across Newcastle Scrap, Metals
		Guttenburg Street – across Transnet Bus Depot
EA9	Madadeni	Stephenson Street – Across Tommy's scrap yard/China city
		Robot intersection after ramping off new bridge
		Section 1 clinic
		Madadeni Section 2 Street – Amajuba Municipality main road
		Across Magistrate Court, across Police Station, Across Home Affairs – across Amajuba FET college Section 2 campus
		Ithala Shopping Centre, across Madadeni Library
		Across Amajuba FET college Section 5 campus
		Madadeni 5 Street – across SAB wholesaler and at Section4/5 T-Junction stop street
		Madadeni Hospital and Zenzele Shopping Complex
		Section 6 Industrial Area main road
EA10	Osizweni	Osizweni and 9 mile road robot intersection
		Across Teku Plaza
		Ebhareni
		Osizweni PnP
		Top rank

According to the census conducted, as of March 2014 there were 766 informal traders in Newcastle. Of the 766, 62% (476) are based in Newcastle CBD and its surrounding areas, followed by 19% (142) in Osizweni and 18% (139) in Madadeni, and 1% (9) in the Industrial area. The biggest concentration of informal traders is found in within the Newcastle Central Business District along Kirkland Street, Terminus Street, the surroundings of Pick 'n Pay, at the conrer of Scott Street and Montague Street, the parking area behind the First National Bank, the pavement along Scott Street, the surroundings of the Newcastle Mall, as well as around the surroundings of Pick 'n Pay in Pioneer Park.

Upon analysis of the census it was deduced that 66% out of the total informal traders in Newcastle are in possession of secondary education as the highest level of education. This

means that training and intervention can be effected considering the literacy levels. A quarter of the total number of informal traders (25%) either possess primary education as their highest level of education, or have no form education whatsoever. Surprisingly enough, 9% out of the total number of informal traders hold a tertiary qualification as their highest level of education. In terms of gender, informal traders in Newcastle are almost evenly distributed amongst males (43%) and females (57%), which is contrary to the norm of women completely dominating the informal industry. From the foreign nationals, the males (80%) dominate the informal industry as opposed to female (20%) foreign nationals.

In terms of age, three out of every 10 informal traders falls below the age of 45 years. Applying the constitutional definition of “youth”, we can say that 41% out of the total number of informal traders are considered youth, which is a considerably high number. Regarding the population group, the Black population constitutes 83% of the total population of informal traders, followed by foreign nationals (14%). Regarding the categories of goods sold, confectionaries, fresh produce and cooked food are the most popular goods in the subsector at 28%, 27% and 21% respectively. While confectionaries are easier to store and transport, fresh produce dealers face a storage challenge, which the forthcoming policy needs to address. The question of health certificates also becomes critically important in view of the percentage of those who retail cooked food. Hair dressing is the most popular form of informal service, followed by the carwash and related mechanical work. The repairing of shoes also takes a sizeable amount of share of the informal trade activities.

According to the census, over two thirds of informal traders use open spaces for their trade, compared to 30% who trade from roofed stationery structures. Such structures include municipal shelters, privately constructed shelters, rented covered spaces, as well as taxi rank areas. A high majority of street traders (36%) use tables to display their goods, while a quarter of the street traders (25%) display their goods directly on the ground, usually on road reserves, pavements as well as parking lots for daily display. Cardboard boxes and plastic crates are also popular display places. Municipal shelters rank sixth among the top display places, confirming that there's insufficiency with regards to shelters for trade. Other display places include shacks, trailers, containers, kiosks, trolleys, as well as suitcases.

A high majority of traders have historically traded within the confines of the Newcastle CBD, and therefore are here to stay. Only 8% (about 62 businesses) traded outside Newcastle and relocated to this area. This suggests that the the growth of informal traders emerge from indigenous entrepreneurs as well as immigration of business.

A small percentage of businesses (8%) are found in more than one trade location on a day, while 92% trade at a stationery position throughout the day. Through mobility of the informal

trading activity, there's greater potential to accessing customers. A quarter of traders claim to be in possession of municipal permits, and thus their trading location is guaranteed whereas the rest claim they have informal agreements with other traders (formal and informal) to avail space for trading on a daily basis, on a fee agreed upon by the counterparts. Such arrangement usually result in dispute as the system is based on a first come – first served basis. Surprisingly enough, an overwhelming 87% of all informal trade businesses in Newcastle are run by owners and not employees. In terms of gender, a total of 321 males traders own their businesses as opposed to a total of 342. This means that there's a high majority of informal trade ownership by females in Newcastle.

Informal trade businesses in Newcastle contribute approximately R1 897 321,00 monthly which translates to R22,7 million annually. This translates to 1% of the municipal budget, or 9% of the municipal capital budget (2014/15 financial year). This is a significant contribution considering that there's only one category of the informal economy within Newcastle. In terms of the monthly turnover per business, close to two thirds (63%) make between R301 and R2000. About 54 of the 766 traders claim to make a turnover of over R5000 on a monthly basis. Based on the trends observed, it is clear to see that the activity of informal trading does not only serve as a nuisance to Council which can not be regulated. Rather it is also a significant source of income for the inhabitants of Newcastle, and helps thus to fight against poverty and unemployment.

Detailed analysis into the data shows that a high majority of the informal traders intend to transmit their business to their children, suggesting trans-generational continuity. The levels of access to ablution facilities is high (77%) as opposed to waste collection which is 58%, and access to running water which is 45%. These services are essential especially for traders selling food, and also for the creation of an attractive environment. Furthermore, what also surfaced from the survey is that there is a general lack of awareness from the informal traders in terms of the various compliance requirements that they need to adhere to. 43% of the informal traders claim to not have known that trading permits are required by the municipality, while the other 52% are under the impression that they do not require any other permit if they have the trading permit from the municipality. Only a mere 4% are aware that in addition to a trading permit from the municipality, they also require a health certificate if they are selling consumables.

Due to the lack of awareness, 35% of the informal traders deem municipal regulation as reasonable whereas 65% are totally in opposition. 9 out of 10 of the informal traders interviewed do not have any formal affiliation in terms of trade organization. 22% informal traders have no prospects for growth, stating that they would rather remain small and

informal. 42% have plans to develop their enterprise into large formal businesses, whereas 11% plan to expand their business even though remaining informal. The lack of adequate trading facilities is the most pressing need for half of the interviewed respondents, who consequently require the municipality to construct shelter for them. One in every ten would like to see the municipality improve basic services, including security, water and sanitation. Access to venture capital is also a pressing need, with expectations placed on the municipality to provide facilitation and support where possible.

The following entails the challenges that are faced by the Newcastle Municipality with regards to informal trading activities within its jurisdiction:-

- ☛ The number of informal traders in the Newcastle Municipal area is increasing, and thus necessitating support of the subsector as one of the municipal priorities.
- ☛ The economic contribution of informal traders to the municipal economy (and employment) is significant. This calls for a paradigm shift advocating for a drastic shift in the manner with which informal traders are viewed in the Newcastle Municipality.
- ☛ There is a fundamental disconnection between municipal objectives in regulating informal trade on one hand, on the other, perceptions of these objectives by informal traders. This gap needs to be bridged in order to achieve a sustainable and effective regulatory exercise.
- ☛ Informal traders are largely unaware of existing regulations, including the procedures of acquiring trading permits. On this, the method of communication and awareness enhancement (by the municipality) will need to be reviewed.
- ☛ With only 22% of informal traders allocated sites by government and an overwhelming 66% who obtained their trading sites without permission, much needs to be done, and in a speedy pace, to clear the site backlog.
- ☛ Basic services targeting informal trading sites need to be considered as one of the Newcastle Municipality's future priority issues.
- ☛ The challenges and dynamics of informal traders, especially street traders, is profoundly different from formal small businesses. A targeted approach would be more effective than bundling informal traders with small formal businesses.
- ☛ A storage facility for informal traders is required, considering that over three quarters (83%) either take home their goods every day, or rent a storage place for their goods,

on a daily basis. This is a Local Economic Development opportunity for the Newcastle Municipality.

- ☛ Finally, contrary to popular thought and lay person assumptions. Data suggests that the majority of informal traders are willing to pay for a decent trading site. This should be factored in the development of possible interventions.

3.6.16.4. INFORMAL TRADE STRATEGY OPERATIONAL PLAN

- ☛ Integrated Management and Planning of Informal Trade.
 - Comprehensive Review of Trade Permits.
 - Revive Newcastle's Informal Economy Chamber.
 - Re-assess the effectiveness of the Informal Trade Associations.
 - Integrate Informal Trade Management Tasks.
 - Formation of Informal Trade Inter-departmental Committee.
 - Involving Informal Traders in the Process of Designating Trade Areas.
- ☛ Informal Trade Space Allocation.
- ☛ Identification and Creation of New Informal Trading Areas.
- ☛ Registration and Permitting.
- ☛ Space/Facility Allocation Criteria.
- ☛ General Powers and Responsibilities of this municipality.
- ☛ Notice and Comment Procedure.
- ☛ Procedure for Dispute Resolution.

3.6.16.5. RENTAL TARIFFS

The current tariff structure for informal traders is outdated, considering that it was established in 2003. While the 2003 structure is still in use (notwithstanding the absence of compliance), due to availability of demarcated spaces, enforcement of the existing structure is almost impossible, considering that there are no consequences for non-payment, thus, in practice, rental payment fee is voluntary. Importantly, the introduction of the user fees is not primarily a revenue collection exercise considering that the fee is deliberately minimal to

allow informal traders the opportunity to access for public open spaces. The fee is more of a measure to introduce accountability of the informal traders to the environment in which they operate, and therefore should be regarded as an incentive to the municipality to keep the environment clean.

The policy recommends a new fee structure, effective as of July 2016 (to allow for sufficient communication), and thereafter two year fee review should take place. Thus the next fee review should occur in the middle of 2018, following which a six month window should be utilised to communicate the new fee structure which would become effective in July 2018. Importantly, the new fee structure derives from the findings of the survey, where half (51%) support the payment system, and of these, three quarters (75%) claimed that they preferred to pay up to a maximum of R100 a month, and another 14% are prepared to pay between R100 and R200 per month.

Table 53: Current and Proposed Tariff Structure.

Trading Space	Breakdown	Current Cost (Dated 2003)	Proposed Cost (2015-2017)
Demarcated Open Area in CBD – Newcastle West	Open Land	R 4.00	R 20.00
	Refuse removal	R 3.00	R 5.00
	Availability of ablution facilities	R 0.00	R 0.00
	Markings	R 1.00	R 5.00
	Admin work	R 6.00	R 10.00
	Total monthly rent	R 14.00	R 40.00
	Deposit	R 28.00	R 40.00
Trolley for Phones / other goods	Open Land	R 45.00	R 40.00
	Refuse removal	R 3.00	R 5.00
	Availability of ablution facilities	R 0.00	R 0.00
	Markings	R 1.00	R 5.00
	Admin work	R 6.00	R 10.00
	Total Monthly rent	R 55.00	R 60.00
	Deposit	R 110.00	R 60.00
Use of Bakkies /Trucks	Open Land	R 45.00	R 60.00
	Refuse removal	R 3.00	R 5.00
	Availability of ablution facilities	R 0.00	R 0.00
	Markings	R 1.00	R 5.00
	Admin work	R 6.00	R 10.00
	Total Monthly rent	R 55.00	R 80.00
	Deposit	R 110.00	R 80.00
Edgar's Shelters	Shelter	R 18.25	R 40.00
	Refuse removal	R 3.00	R 5.00
	Availability of ablution facilities	R 0.00	R 0.00
	Maintenance	R 3.00	R 20.00
	Admin work	R 6.00	R 10.00
	Total Monthly rent	R 30.25	R 75.00
	Deposit	R 60.50	R 75.00
Brick Stalls (Terminus Street)	Shelters	R 18.00	R 45.00
	Refuse removal	R 3.00	R 5.00
	Availability of ablution facilities	R 0.00	R 5.00
	Maintenance	R 3.00	R 20.00
	Admin work	R 6.00	R 10.00
	Total monthly rent	R 30.00	R 85.00
	Deposit	R 60.00	R 85.00
Shipping Containers (Council owned)	Asset + land	R 38.00	R 50.00
	Refuse removal	R 3.00	R 5.00
	Availability of ablution facilities	R 0.00	R 5.00

Trading Space	Breakdown	Current Cost (Dated 2003)	Proposed Cost (2015-2017)
	Maintenance	R 3.00	R 20.00
	Admin work	R 6.00	R10.00
	Total monthly rent	R 50.00	R 90.00
	Deposit	R 100.00	R 90.00
Shipping Containers (Privately Owned)	Asset (land)	R 41.00	R 75.00
	Refuse removal	R 3.00	R 5.00
	Availability of ablution facilities	R 0.00	R 5.00
	Maintenance	R 0.00	R 0.00
	Admin work	R 6.00	R 10.00
	Total monthly rent	R 50.00	R 95.00
	Deposit	100.00	R 95.00
Lockable Stalls (Madadeni CBD & Osizweni Empompini)	Asset	R 8.00	R 15.00
	Refuse removal	R 3.00	R 5.00
	Availability of ablution facilities	R 0.00	R 5.00
	Maintenance	R 3.00	R 10.00
	Admin work	R 3.00	R 10.00
	Total Monthly rent	R 20.00	R 45.00
	Deposit	R 30.00	R 45.00
Movable Concrete Stalls (Madadeni & Osizweni)	Asset	R 3.00	R 10.00
	Refuse removal	R 3.00	R 5.00
	Availability of ablution facilities	R 0.00	R 0.00
	Maintenance	R 3.00	R 5.00
	Admin work	R 6.00	R 10.00
	Total Monthly rent	R 15.00	R 30.00
	Deposit	R 30.00	R 30.00
SBDC Shelters + Allen Street Extension shelter + shelter in Jordan Carpark	Asset	R 13.00	R 20.00
	Refuse removal	R 3.00	R 5.00
	Availability of ablution facilities	R 0.00	R 5.00
	Maintenance	R 3.00	R 10.00
	Admin work	R 6.00	R 10.00
	Total Monthly rent	R 25.00	R 50.00
	Deposit	R 50.00	R 50.00
Lockable Stalls - Suryaville	Asset	R0,00	R 15.00
	Refuse removal	R 0,00	R 5.00
	Availability of ablution facilities	R 0.00	R 5.00
	Maintenance	R 0.00	R 10.00
	Admin work	R0.00	R 10.00
	Total monthly rent	R 0.00	R 45.00
	Deposit	0.00	R 45.00
Demarcated Open space on the outskirts of CBD – Newcastle West	Open Land	R 4.00	R 10.00
	Refuse removal	R 3.00	R 5.00
	Availability of ablution facilities	R 0.00	R 5.00
	Markings	R 1.00	R 5.00
	Admin work	R 6.00	R 10.00
	Total monthly rent	R 14.00	R 35.00
	Deposit	R 28.00	R 35.00

3.6.17. MINING

Mining forms an important component of the economy of Newcastle and the history of organized mining in the municipality which has generated associated industries. Mining activities includes coal mining, brick clay, Iron Oxide, dimension stone, aggregate and sand. Particularly two areas are of interest, namely KIB and the MBO area.

3.6.17.1. COAL MINING

Mintek (2007) estimates that 23% of the coal resources still remain within the Klip River coalfield, of which 51% are found in the Top seam and 49% within the Bottom seam. The coal reserves can (and probably will) be increased with additional coal exploration. It is also estimated that there are approximately 4.5Mt of *in situ* coal within the Klip River coalfield – a large portion of which is located within the Newcastle LM. The vast majority (87%) of this coal is considered to be thermal (or steam) coal with a minor portion (8%) of anthracite and 5% of metallurgical coal. The only coal mining and associated operations that appear to be taking place within the LM are related to dump / stockpile reclamation along the N11 outside Newcastle and to the east near the old Ngagane Colliery, as well as a char plant and siding stockpiles (for coal from outside the Newcastle area) within the Ballengeich area.

There are a number of areas where mining has ceased through decommissioning or abandonment, but rehabilitation has either not taken place or is incomplete. These include:

- ☛ Macalman Walmsley
- ☛ Tendeka North Opencast (Osizweni area)
- ☛ Ballengeich / Natal Cambrian Colliery
- ☛ Kilbarchan Colliery
- ☛ Horn River Colliery – Gardinia
- ☛ Witklip Colliery near Charlestown

This has implications for environmental management in terms of water, ground stability and issues of safety. Many of the operations were underground with a number of audits (underground access points) that were linked to a single mining entity or operation. This has an impact on potential land use; however the footprint of the workings cannot be determined from surface¹.

According to the DMR, there are several prospecting projects that are currently being carried out within the NLM. The accuracy of this data is questionable as there are duplicate holders of prospecting rights over the same farms and farm portions. Nevertheless, coal applications are located north-south and east of the N11. In September 2010 a six month moratorium on prospecting right applications was put in place to audit the applications, process and irregularities. It is therefore important for the LM to obtain an updated database from the DMR.

¹ An application for access to the DMR records of the final mine plans for these operations is recommended.

3.6.17.2. IRON OXIDE

Iron oxide potential is concentrated east of Newcastle within the Madadeni / Osizweni areas. Two mines appear to have been operational to the far east of Osizweni, with a number of abandoned areas of mining or with mining potential. However, field verification of these areas show no latent evidence of mining, with most being within areas that are now built up. It is now unclear whether surface disturbance within these areas is from mining or construction activities. In general, it would appear that the deposits are small and may have been mined out. Mining of weathered dolerite within the area may be a source of iron oxide for pigment; however much of this may also be used in the construction industry.

3.6.17.3. BAUXITE (AL)

Several bauxite occurrences have been reported from within the Newcastle LM. These can be found to the west and southwest of the town, but are all considered to be of insufficient scale and / or grade to be economically viable at this stage. However, further detailed exploration may well prove otherwise. At this stage, bauxite is unlikely to be mined within the LM therefore the potential environmental risk is low.

3.6.17.4. DIMENSION STONE

In the Newcastle area, there is an abundance of dolerite and sandstone, which both have potential as sources of dimension stone. The dolerite is commonly very dark in colour – due to its fine grain size and enrichment in magnetite – with the result that it is often commercially attractive and is marketed as “Black Granite”. Despite this, there do not appear to be any dimension stone mines within the Newcastle LM. Dolerite outcrops throughout the LM, primarily west of the N11. Although the quality of these deposits for use as dimension stone is currently unknown, there is significant potential.

3.6.17.5. AGGREGATE

AfriSam have an aggregate quarry southwest of Newcastle town off the N11. This dolerite quarry appears to be well run and supplies gravel for crush and cement. A number of other abandoned quarries and borrow pits are in evidence north and east of Newcastle town. Most of these would have been used for road construction and water services infrastructure, as well as for the local building industry.

3.6.17.6. SAND WINNING

There are plenty of quaternary deposits along stream and river courses for sand winnowing (such as along the Buffels, Horne and Ngagane Rivers) In the Newcastle area. Much of the sand mining within the Newcastle LM is associated with the wetland areas adjacent to water courses and not within/immediately adjacent to the dynamic zone. Sand mining was

prevalent east and southeast of Newcastle town in close proximity to the target market (Osizweni/Madadeni building industry. This has serious environmental implications. According to the DMR there is only one sand application (mining permit) northeast of Osizweni from 2005. The accuracy of this data is questionable and appears to be an irregularity as the area covered by this permit far exceeds 1.5 ha (the limit of a mining permit).

3.6.17.7. BRICK CLAY

The Department of Mineral Affairs is currently busy with a project worth R120 million, to rehabilitate an illegal coal mine in the Blaauwbosch area. The intention of the project is to rehabilitate the mine by using the local community that is mining there and create economic opportunities by developing a block-making facility and brick-making yard. The bricks will be collected and purchased by Corobrick.

3.6.18. LOCAL ECONOMIC DEVELOPMENT STRATEGY (2012)

Newcastle Municipality's LED Strategy was developed in the year 2012 through outsourcing from 2 private consultation companies. During the development of the strategy there was extensive stakeholder engagements so as to ensure that the strategy is responsive to the issues around LED within Newcastle as raised by the general public. Furthermore, the strategy tries by all means to align with the development imperatives of the PGDP and those of the DGDP through the related development goals, objectives, strategies and programme. In terms of the departmental capacity to deliver on the DGDP objectives and intervention areas, the capacity is currently insufficient as there are only 8 qualified personnel whereas the approved organogram makes provision for 24 personnel thus meaning there is a shortage of 16 personnel. The lack of capacity is particularly around specialist staff who have agricultural and economic expertise.

3.6.18.1. KEY GAPS AND CHALLENGES TO LED

A number of threats and constraints facing the local firms/industries and businesses have been identified and these have the ability to impede upon economic growth hence development of Newcastle. Such threats and weaknesses have been identified particularly within the agricultural sector and, in order to counteract the weaknesses, a number of strengths and opportunities have been highlighted that ensure effective facilitation of local economic development initiatives from a municipality's perspective. Newcastle Municipality is committed to addressing the challenges around LED even though some of the issues are not part of local government's prerogatives. The strategic goals which were developed are

essential in addressing the key gaps and challenges identified and also to transform the various economic sectors within Newcastle.

Below is a table translating the key gaps or challenges identified during the situational analysis of Newcastle's LED into problem statements, and displays the strategic responses that have been developed to ensure that the problem statements are sufficiently addressed:-

PROBLEM STATEMENT	STRATEGIC GOAL IN RESPONSE
Good potential agricultural land, and opportunities that are currently underutilised	Expansion and diversification of the agricultural sector
Strong manufacturing base with the potential for expansion through diversification and addressing of challenges.	Expansion and diversification of the manufacturing sector
Under-exploited tourism assets.	Development and support for the tourism sector.
Institutional challenges exist which are threatening proper planning, implementation and sustainability of LED initiatives.	Improving the institutional and policy environment towards effective LED.
Under-developed infrastructure is deteriorating the potential for new investment and expansion of existing sectors.	Expansion and development of strategic economic infrastructure.
Low growth and success in terms entrepreneurship and small business expansion (Including informal economy development).	Effective support to the informal economic and development small enterprises.
Lack of industry-driven skills development and training.	Ensuring effective skills, education and capacity development.

Furthermore, the Newcastle Municipality's Department of Development Planning and Human Settlements conducted an Economic Development Indaba on the 24th of August 2015. This was basically an interdepartmental meeting held through the Extended Executive Committee gathering and the procedure entailed discussion groups after which a feedback meeting was convened on the 31st of August 2015. The feedback meeting entailed some recommendations on the route to be taken towards the development of Newcastle's local economy. Amongst the issues that were discussed are the following:-

ITEM OF DISCUSSION	BROAD LOCAL ECONOMIC DEVELOPMENT INITIATIVE
Broad local economic development initiatives	<ul style="list-style-type: none"> • Pro-active development-orientated political leadership. • Set clear roles and responsibilities on the political-administrative dichotomy. • Set up think-tank on local economic development. • Exploitation of the town's comparative and competitive advantages. • Identify downstream opportunities within thriving sectors. • Uplift people from the indigent register. • Upgrade EPWP jobs. • Promotion of events/sports and recreation (including arts). • Improve marketing and branding. • Sound financial management. • Policy shift to favour small emerging companies.
Growth engines/catalytic projects	<ul style="list-style-type: none"> • Establishment of a university. • Planning and servicing of the Equarand mixed use precinct. • Development at Newcastle Airport precinct. • JBC urban hub precinct plan. • Exploit the remaining coal reserves. • Address land related matters – land release/tenure/rates for the municipality for development purposes. • Mass supply of middle income housing development. • Expansion of the industrial area.

ITEM OF DISCUSSION	BROAD LOCAL ECONOMIC DEVELOPMENT INITIATIVE
	<ul style="list-style-type: none"> Strengthen agrarian reform through partnerships between the Department of Rural Development and the municipality. Support the informal sector. Broadband Strategy for the provision of low cost connectivity.

Furthermore, the discussions identified key development challenges in the local economy that pose a threat to economic sustainability and these were organised in terms of the different sectors of the economy as follows:-

ECONOMIC SECTOR	SECTOR SPECIFIC GAPS OR NEEDS
Agriculture	<ul style="list-style-type: none"> Development of dams and supportive water infrastructure. Regeneration/redevelopment of vacant farms. Encouragement towards the growth of agro-processing industries. Relationships and understanding of farming. Coordination between stakeholders in terms of agricultural development. Support for small-scale and emerging farmers. Support mechanisms for farmers. Tunnel farming, dry land farming and livestock farming. Fast tracking the process of land reform.
Manufacturing	<ul style="list-style-type: none"> Provision of zoned industrial space. Assistance and support to the textile industry to reduce and reverse job losses. Leverage of national incentives and funds to encourage industrial development. Development of a clear vision for the manufacturing sector. Promotion of investment into new technology. Diversification of the sector. Manufacturing of renewable energy products. Regeneration of vacant or under-utilised industrial space.
Institutional	<ul style="list-style-type: none"> Access to funding for implementation of LED interventions. Improvement of intergovernmental relations and coordination (between national, provincial and local government, SOEs and traditional authorities). Strengthening of public-private partnerships. Effective investment promotion and facilitation (including incentives). Business retention and expansion programme. Efficient project and financial management for LED initiatives (project management unit to run LED projects). Reduction of red-tape and the collective administrative burden. Improve collections. Political buy-in.
Skills development and training	<ul style="list-style-type: none"> Ensuring tertiary institutions are producing skills aligned to industry demand (especially manufacturing and agriculture). Need for private and public sector apprenticeships and internships (including support for companies currently undertaking skills development and training). Retention of skilled personnel within Newcastle.
Infrastructure	<ul style="list-style-type: none"> Upgrade and increase the capacity of the N11 and R34. Encourage regeneration of the rail network for both passenger and cargo transport. Development of bulk services (including dams and water infrastructure). Inland logistics hub with supporting industrial development for export-orientated manufacturing. Improve access to land for development (public land, private land and Ingonyama Trust Board land). Upgrading of the Newcastle Airport. Continued maintenance and development of recreational facilities.

ECONOMIC SECTOR	SECTOR SPECIFIC GAPS OR NEEDS
	<ul style="list-style-type: none"> Assistance in the provision of infrastructure for small-scale farming such as fencing and dip-tanks. Tariff modelling and cost of supply study. Optimise the utilisation of MIG.
Tourism	<ul style="list-style-type: none"> Provision for a one-stop information centre. Establishment of local tourism forum or CTO. Need for more funding for tourism (maintenance, infrastructure upgrades, and new facilities). Encouraging development of tourism activities within Madadeni and Osizweni. Need for comprehensive tourism research. Expansion of business and event tourism. Marketing of the region.
SMME Development	<ul style="list-style-type: none"> Growth of sustainable SMMEs in areas such as Osizweni and Madadeni. Enhancing local procurement (including proper management thereof). Business support and financial assistance to SMMEs. SMME development through linking to value chain manufacturing, tourism and agriculture.

3.6.18.2. PROGRAMMES TOWARDS ADDRESSING LED CHALLENGES

SHORT TERM (0 – 6 MONTHS)	MEDIUM TERM (6 – 12 MONTHS)	LONG TERM (>12 MONTHS)
Extended public works programme (EPWP).	All items in 0 – 6 months are still applicable	Renewable energy projects focusing on solar and wind-turbine farms including the conversion of waste to energy.
INEP	Manufacturing concrete products to be provide as inputs in all construction projects of the municipality (e.g. establishment of the brick manufacturing yard)	Promotion and development of SMMEs to make VIP structures, door and window frames, street lighting and mechanical pipes.
Intensive construction (e.g. roads rehabilitation and side-walks).	Promote water re-use which should work to support the agricultural sector.	Explore the mining potential that exists within the town in partnerships owners of mining rights and prospective investors. Support small quarries to establish business that can work with the municipality, Department of Roads and Transport and Public Works.
Water Conservation and Demand Management (WCDM).	Land is a means for production and the municipality should consider providing land at reasonable costs to unlock the economic potential of the town. Municipality should also consider developing and servicing land upfront so as to use attract potential investors.	Maintenance of tourism infrastructure for the attraction of visitors to Newcastle and promote use by local residents for revenue enhancement and job creation.
Use the Municipal Infrastructure Grant (MIG) to promote labour intensive programmes for job creation.	Local office support programme towards industrial innovation.	Establishment of an International Convention Centre to attract major conferences and events.
Ncandu River Clean-up Project		Bus Rapid Transit System (BRT).
Strengthen agrarian reform to support emerging farmers.	Develop a Broadband Strategy to ensure coordination roll-out of broadband.	Supply of middle income housing development.
Support the informal sector	Expansion of the industrial area and establishment of an industrial area in Newcastle East.	Exploitation of the coal reserves.

SHORT TERM (0 – 6 MONTHS)	MEDIUM TERM (6 – 12 MONTHS)	LONG TERM (>12 MONTHS)
Address land issues.	JBC urban hub precinct plan.	Establishment of a university.
Development of Newcastle Airport.	Planning and servicing the Equarand precinct.	

Table 54: Programme and Project Development.

STRATEGY FOCUS	STRATEGIC GOALS	STRATEGIC PROGRAMMES	PROJECTS
Sector Specific	Expansion And Diversification of Agricultural Sector	Commodity Development and Agri-Processing	Four Gardening projects
			Mushroom Farming
			Abattoir Expansion
			Spinach Production Project
			Amajuba Meat Deboning Project
			Sugar Beef Project
			Fanwood Hydroponics
			Re-starting the biodiesel project
			Expansion of Livestock Production to support meat processing
			Investigation into aqua-culture potential
		Promotion of Urban Agriculture in the Denser Urban Settlements	Nursery Projects (Madadeni and Newcastle)
			Bakery Project in Madadeni
			Establishment of the Hydroponic tunnel project
		Emerging and Small-Scale Farmer Development and Assistance	Identification of commercial farmers to provide SMME mentorship and internships
			Identification and support of out-grower schemes
			Identification of potential funding for small-scale farmers
			Implementation of the tunnels programme
			Green beans project in Ingogo and Zuka
			Support for establishment of the Ingogo Fresh Produce Market
	Expansion and Diversification of the Manufacturing Sector	Industry Development	Shenlinda Chemical Factory
			Establishment of new furniture Manufacturing
			Laundry Project in Madadeni
			Promote the Local Manufacturing of Construction Materials (Including Brick Manufacturing)
			Livestock (pig/cow) abattoirs and Processing Plant
		Strategic Support and Assistance to Industry	Assistance and Support to the Textile Industry, Particularly throughout with regards to bargaining council negotiations
			Support expansion of the plastics Industry through close interaction with key Stakeholders
			Support the Dicks Cluster Project
			Support the Lanxess Expansion Project
			Promote and Support Establishments of Manufacturing within "green" industries
		SMME Participation within the Manufacturing Sector	Support the ArcelorMittal Steel Expansion Programme
			Identification of opportunities for SMME integration into the manufacturing sector
			Assist SMME's in packing funding applications for manufacturing opportunities with SEDA
		Manufacturing Sector Policy and Planning	Identification of potential apprenticeships and internship opportunities within the Manufacturing sector.
			Develop a Manufacturing Sector Expansion Plan (Including a clear vision)
			Identify, promote and assist Manufactures in accessing National Incentives available (particularly for new technology and energy efficiency)
			Establish a beneficiation-industries incentive scheme (Including local incentives such as rebates where possible)
			Identification of future potential industrial nodes
	Development and Support for the Tourism Sector	Diversification of Tourism Attractions and Activities	Development of Battlefield as Part of Amajuba Tourism Route (Including Cultural Tourism)
			Action Plan and Funding to support establishment of business tourism and event tourism (particularly Sport Tourism)

STRATEGY FOCUS	STRATEGIC GOALS	STRATEGIC PROGRAMMES	PROJECTS
			Development of opportunities along the MR483 Corridor linking the Newcastle CBD to Madadeni and Osizweni;
			Promote the development of Avi-Tourism (birding)
			Development of Ncandu Dam Tourism
		SMME Participation within the Tourism Sector	Continue support for the Tourism Ambassador Programme and create linkages with established operators
			Provide Tour Guide and Site Management Training
			Identification of Potential funding for Tourism Start ups
		Institutional support and Policy Development	Roll out of Newcastle Tourism Strategy aligned to the Amajuba Tourism Strategy
			Implementation of Strategic Projects identified for Newcastle within Amajuba Tourism Strategy
			Identification and lobbying for funding for new tourism infrastructure and upgrades
			Ensure continuous tourism research within LED department
Information, Marketing and Promotion	Investigate establishment of a community Tourism Organisation and Newcastle Tourism Forum		
	Relocate and refurbish the Tourism Info Centre in Newcastle, with satellite stations at waterside Wimpy and shopping malls. Municipal airport Access Point.		
Cross-Cutting	Improving the Institutional and Policy Environment Towards Effective LED	Investment Promotion and Attraction	Support development of an Amajuba Investment Promotion and Facilitation Strategy (underway with LED) with a focus on Newcastle
			Improve current investment promotion and facilitation capacity
			Packaging of available incentives to stimulate investment into key sectors
		Business Retention and Expansion	Undertake quarterly assessment of the 10 key industrialists to assess Business Confidence
			Roll out of a Business Retention and Expansion Programme
			Target reduction of red-tape and municipal administrative processes times
		Coordinating and Communication of LED Stakeholders	Develop a formal platform for frequent engagement between government officials and business sector
			Encourage the improvement of intergovernmental relations (all spheres of government, SOEs, NGOs and traditional authorities)
			Establish a help desk within the municipality to facilitate private sectors concerns via the provision of information and creating linkages between private sector and relevant national, provincial, district and local departments and state-owned enterprises
		Funding for LED implementation	Compile a database of all potential funding sources for LED implementation
	Package key LED projects and make applications for funding		
		Transportation Infrastructure Capacity and Maintenance (Road, Rail, and Air)	Revitalisation of the Newcastle Airport (lobby with KZN Treasury in line with KZN Regional Airports Strategy)
			Need to regenerate rail line capacity for freight cargo
			Upgrade the road infrastructure, with emphasis on N11 and the R35
			Revitalisation of the rail line to support passenger transportation (a new dedicated passenger rail line linking key residential townships feeding into Newcastle)
		Development of Bulk Services and Economic Zones	Encourage investment into development of an ICT Park
			Solar power generation and cogeneration activities
			Development of the Amajuba Hydroponic Techno Park/ Agricultural HUB linked to Dube
			Investigate the development of a new Container terminal/ logistics Hub
			Identification of Newcastle as an industrial zone/ Industrial Park Development
			Horn River Dam Project
		Urban Renewal and Upgrading	Roll out of ICT infrastructure/Broadband Project
			Implementation of the Urban Renewal Program in the Newcastle CBD

STRATEGY FOCUS	STRATEGIC GOALS	STRATEGIC PROGRAMMES	PROJECTS
	Expansion and Development of Strategic Economic Infrastructure		Landscaping and Improvement of Madadeni CBD area
			Landscaping and improvement of Osizweni area
			Western Urban Development Management Area
			Victoria mall extension
		Access to land, sites and Buildings	Undertake and assessment of current industrial land availability and develop a roll out plan
			Identification of vacant farms and development of a plan for rehabilitation
			Investigate development of a Newcastle Chinese Trade Mall
			Madadeni CBD Mall
	Effective Support to the Informal Economy and Development of Small Enterprise's	Assistance and Support (especially in Madadeni and Osizweni)	Vulintaba Golf Estate
			Petrol Filling Station at Kings Hotel
			Undertake an informal Economy Strategy to key identified challenges and implement recommendations
			Establish a dedicated location for informal Trade with supporting facilities
		Development of entrepreneurship an Innovation	Ensure continuous engagement with informal Committees to address constrains
			Create a platform with SEDA to ensure support and information is reaching small enterprises
		Value-Chain Development and Local Procurement	Develop a package of potential funding sources and promotion amongst small enterprises
			Establish an annual Small Business Innovation Fair
			Engage with SEDA to identify potential interventions aimed at building entrepreneurship
			Establish an online SMME and Cooperative database and promotions to large business
	Ensuring effective education, skills and capacity development	Skills training and development	Mainstreaming small enterprises through government tenders and procurement policies
			Identify business opportunities for cooperatives within the public sector in Newcastle
			Roll-out SMME publicity workshops to raise awareness
			Facilitate an SMME business skills program
		Specific Incubation Programmes	Facilitate an Entrepreneurship training and development program
			Facilitate training for informal business
			Establish a Newcastle ICT Skills programme
			Development of manufacturing incubator (with appropriate mentors)
		Development of relationships between industry and SETAs and other tertiary and training institutes	Encourage development of ICT incubator (to possibly include a Software Engineer Centre)
			Establish SMME incubation facilities
			Establish a platform for engagement on skills development and training among all stakeholders
			Engage with tertiary institutions and business to ensure programs are aligned with industry demand
			Investigate the establishment of additional higher education institutions

3.6.19. NEWCASTLE AIRPORT TECHNO-HUB.

The Newcastle Airport Techno-hub concept is based on the dynamic and integrated trio of institution, enterprise and business whose main aim is to generate innovation. The institution sphere involves knowledge generation through students and research activity which feeds into the enterprise sphere associated with business support, idea generation and training and technology transfer to develop small businesses to eventually expand to become medium to large establishments. These spheres combined, result in innovation and a sustained knowledge economy.

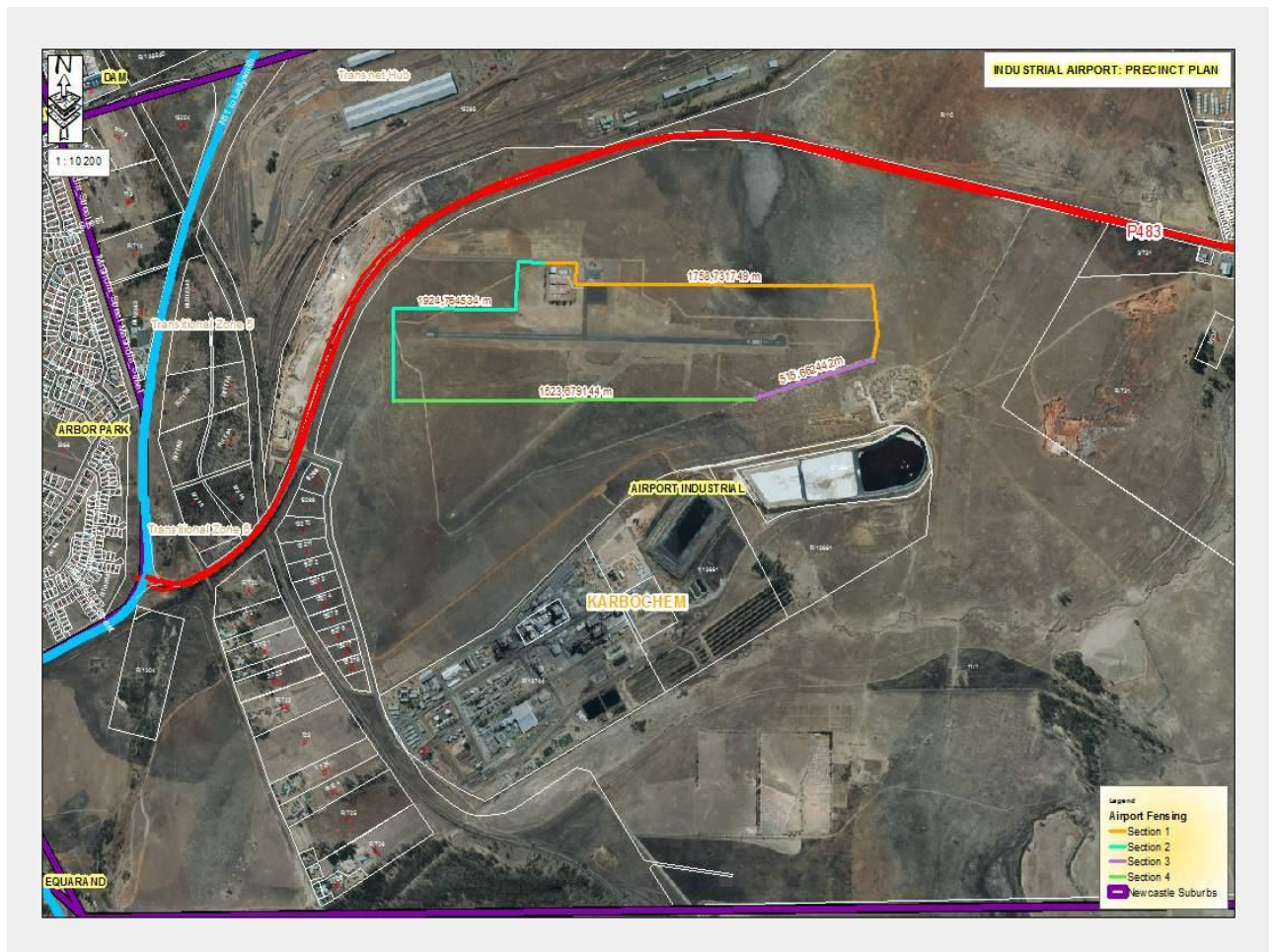
The techno-hub is defined as “an enterprise associated with research, development, design and related activities in the high technology sector which is accommodated in park-type work environment specifically created for the industrial needs of the enterprise concerned.”

The main attributes of a technology hub include:

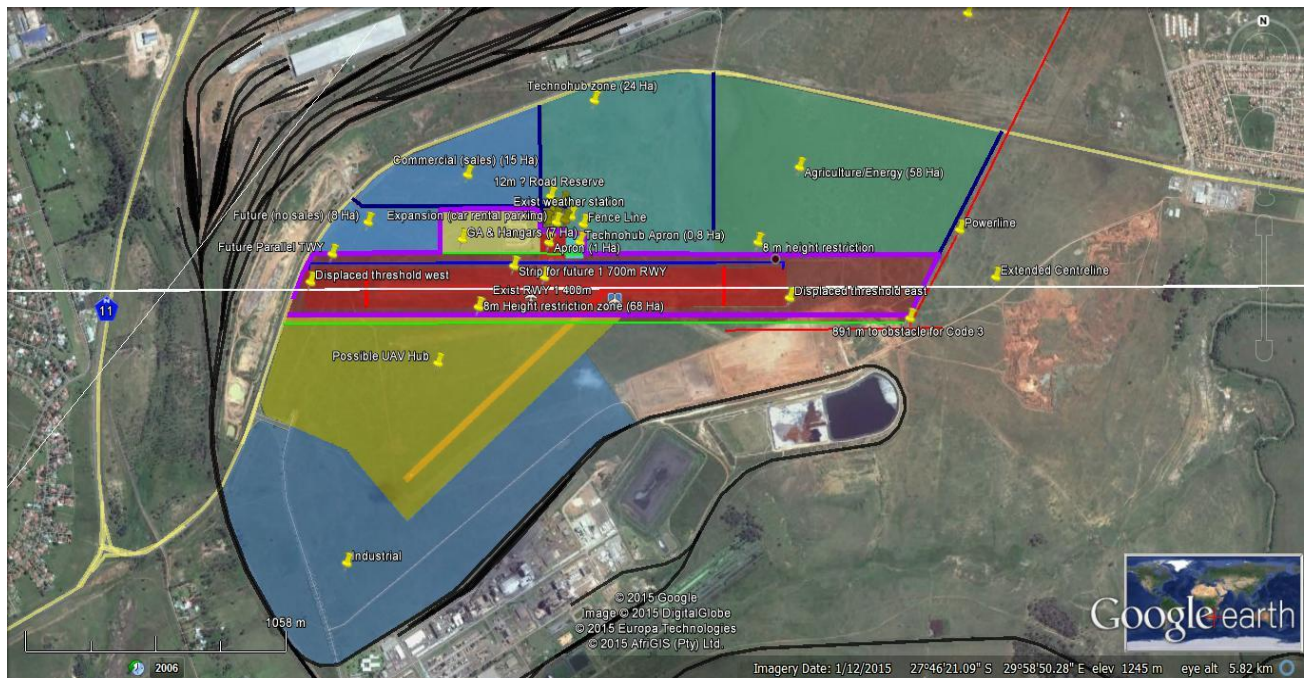
- ☛ Specialised Business Park with tenants focused on technology, and scientific research;
- ☛ Close alignment to tertiary institutes, and their academic staff: parks linked to wider innovation and collaboration between formal educational institutions; research firms and the end user business;
- ☛ Business incubation and support and technological capacity building;
- ☛ Creating business synergies;
- ☛ Should have good physical infrastructure, steady power, communal services like security and management and often shared business administrative services; and
- ☛ Facilities should include, manufacturing, high level training, technology and business incubation, financing institutions, standardization and calibration laboratories, and testing.

The main aim of a techno-hub is the commercialisation of innovative ideas through which products, processes, strategies, and services are formulated to create jobs and to generate wealth in Newcastle. The notion of a techno-hub is supported by all business chambers within Newcastle. Such support is mainly vested upon the anticipated job opportunities which will emanate through the hub. This will have an advantage in terms of the existing pool of advanced wireless and IT companies that are within Newcastle. The benefits of establishing a techno-hub are not only limited to job creation only, but also to investment opportunities and skills development.

The Project will be executed over a two (2) year period starting from March 2015, and the techno-hub site will be owned by the Municipality as an asset and managed preferably by a separate Municipal Entity. The airport was identified as an integral part of the hub, and the hub entity will be required to include services to the hub such as security, cleaning and other operating facilities. Training facilities will accommodate the National Development Skills Plan (SDPS), and the hub will be in a state that will enable to compete with other International techno-hubs.



Map 10: The current site where the Airport is situated.



Map 11: Techno-hub development plan.

With the development of the Techno hub, the old Airport will undergo a series of improvement such as fencing, sewer upgrades, and the upgrading of the terminal building. The following entails an outline of the objectives as raised by the stakeholders of the project, including those of the Department of Science and Technology, through various engagements with the municipality:-

- ☞ Ensure that the Techno Hub meets the National Development Plan, Regional and Local IDP Development Plans;
- ☞ Envisaged as a mechanism of Innovation and Knowledge development;
- ☞ Important that the Newcastle Municipality and Treasury emphasize the purpose of the hub to their stakeholders, it is not meant to be a Business Park;
- ☞ Meant to bring together Academia/Business/Government in order to generate knowledge and R&D as a balanced approach;
- ☞ Must be representative of the community with a forum to manage the hub with independent and neutral stakeholders;
- ☞ Training facilities to accommodate the National Development Skills Plan (SIPS);
- ☞ Require the hub to be a Balanced Playing Field with realization of dis-quality;
- ☞ Be able to compete with International Techno-Hubs; and
- ☞ Revive the economy through the development of the hub.

In addition to the abovementioned objectives, some other issues to be taken into cognisance and which are essential to establishing a world class techno-hub were raised by the stakeholders and these are as follows:-

- ☛ Request for free wifi at the techno-hub;
- ☛ Investigate the student facilities required for the transfer of skills towards skills development for the community;
- ☛ 67% of the Newcastle industry is within the manufacturing sector;
- ☛ The entire hub precinct detailed in Spatial Development Plan of municipal site to be called techno hub site;
- ☛ Adopt a techno hub will suit South Africa, as other countries models not suitable;
- ☛ Should have a separate Municipal Property Entity formed to own and manage the precinct;
- ☛ Due diligence should be performed on any Business/Tenant entering the hub;
- ☛ Techno-hub to create development for Skills Science and Technology.

3.6.20. LIST OF PRIVATE/PUBLIC SECTOR INVESTMENTS WITHIN NEWCASTLE.

Table 55: 2013 Private/Public sector investments in Newcastle.

PROJECT	AMOUNT(R)	STATUS
Vulintaba Golf Estate	R 1,2 billion	Ongoing
Victoria Mall extension	R80 million	Completed
Lanxess Chemical Plant extension	R400 million	
Karbochem (New Boilers)	R120 million	
New Police Station (Madadeni)	R140 million	
Osizweni Taxi Rank	R7,6 million	Completed
106 single quarter units at Majuba FET	R9 million	
Theku Mall Osizweni	R64 million	Completed
New Builders Warehouse	R21 million	Completed
Madadeni Shopping Mall	R90 million	
Madadeni Hospital	R200 million	
Arcelor/Mittal Water Treatment	R400 million	
Transnet Logistics	R60 million	
New Boxer Cash and Carry	R10 million	Completed

Table 56: 2014 Private/Public sector investments in Newcastle.

PROJECT	AMOUNT(R)	STATUS
Arcelor/Mittal Blast Furnace	R1,7 billion	Completed
Madadeni Hospital	R 200 million	Completed
Meadowlands Hostel	R400 million	Completed
Garden Court expansion	R20 million	Completed
Private Hospital expansion	R20 million	Completed
Camelot Boutique Hotel	R15 million	Completed

Tramonto Boutique Hotel	R15 million	Completed
New 48 Bed Hotel Vulintaba	R30 million	Under construction
Lanxess	R400 million	Completed
SBV	R58 million	Completed
Siltech New Owner Re-opening		
New Private School for 3 190 Children		Completed

Table 57: 2015 Private/Public sector investments in Newcastle.

PROJECT	AMOUNT(R)
New Super Spar Complex	R50 million
New Slurry Dams Lanxess	R100 million
New Slurry Dams SA Cabrbide	R100 million
Airport Precinct Development (Technohub)	
Town House Complex – Victoria	R18 million
New Factories – Lot 4821	R21 million
New Audi Garage	R20 million
Magistrate Court	R100 million
New Bottling Plant	R45 million
Karbochem – New Boilers	R100 million
Interest from Land Rover/Nissan	
Interest in New Private Hospital	
Hotel at Vulintaba	R30 million
Oryx Energy	R50 million
Townhouse Complex – John Parks	R43 million
Siyanda Oil	R60 million
Private Hospital Psychiatrist and Day Ward	R70 million

Table 58: The value of building plans approved by the Newcastle Municipality since 2002.

PERIOD	AMOUNT(R)
2002	R93 965 000
2003	R109 712 000
2004	R133 097 000
2005	R160 602 000
2006	R246 354 000
2007	R349 824 000
2008	R298 898 000
2009	R238 335 000
2010	R158 835 000
2011	R404 530 000
2012	R416 538 000
2013	R526 410 000
2014	R609 915 000
2015	R440 409 000 (up till 31 August)

Table 59: Property sales within all the sectors in Newcastle.

PERIOD	AMOUNT(R)
2002	R476 500 101
2003	R190 328 819
2004	R277 067 623
2005	R377 221 654
2006	R472 076 067
2007	R571 000 844
2008	R562 129 896
2009	R443 917 334
2010	R430 398 675

2011	R577 209 415
2012	R888 734 722
2013	R1 767 230 978
2014	R956 166 969

During the period 2002, a large number of Iscor properties were transferred to a property holding group.

3.6.21. NEWCASTLE MUNICIPALITY EPWP

Newcastle Municipality's IDP is formulated in line with the strategic directives of the KZN PGDS, and is also fully aligned to the national development goals. Amongst other things, the PGDS gives focus to the delivery of infrastructure and basic services in order to address the identified backlogs. It also places emphasis on intervention towards socio-economic well-being within KZN. The status of the physical and economic development of a community is measured based on the the provision of quality infrastructure for technical services i.e. quality of roads, access to electricity, access to water and sanitation. Within Newcastle this has proven to be a huge challenge evident in the form of the contrast between the need for maintaining existing roads within the urban areas and the provision of new roads in rural areas, including basic services. The challenge is further exacerbated by the need to attend to the various needs of the community whereas there are limited financial resources. However Newcastle Municipality has made progress in addressing the development challenges and, in the process, has made progress towards socio-economic transformation through the provision of employment opportunities that also advocate for skills development through the EPWP.

3.6.21.1. KEY FOCUS AREA OF NEWCASTLE EPWP

The key focus area of the Newcastle Municipality's EPWP may be summed as the Triple-Bottom Line – social, economic, and environmental development. In terms of social development, the focus is on contractor development in what is known as the Sebenzel'ekhaya Programme. In terms of environmental sustainability, the focus is on building environmental knowledge and a culture of sustainability through the Food for Waste Programme which has saw Newcastle Municipality receiving accolades for being the cleanest town in the KZN province. In terms of economic development, Newcastle continues to create a conducive environment for attracting investments and subsequently economic development. This is done through municipal projects for road maintenance and unblocking of stormwater drains in naming just a few.

The Siyazenzela Programme may be deemed as one of the success programs of the municipality. The name of the programme translates to “we’re doing it for ourselves,” and it

was initiated by two municipal departments namely - the Department of Technical Services and the Department of Community Services. The intention was to reduce the levels of unemployment within Newcastle whilst also fighting against poverty. The main beneficiaries of the programmes are the previously disadvantaged communities targeting specifically the poorest of households usually characterised by a general lack of skills due to absence of any form of formal education. The programme started on the 4th of June 2012 and will be completed at the end of EPWP Phase II. Training of labourers in relation to the programme is done through the Amajuba FET College.

Figure 2: Overall coordination of EPWP within Newcastle Local Municipality

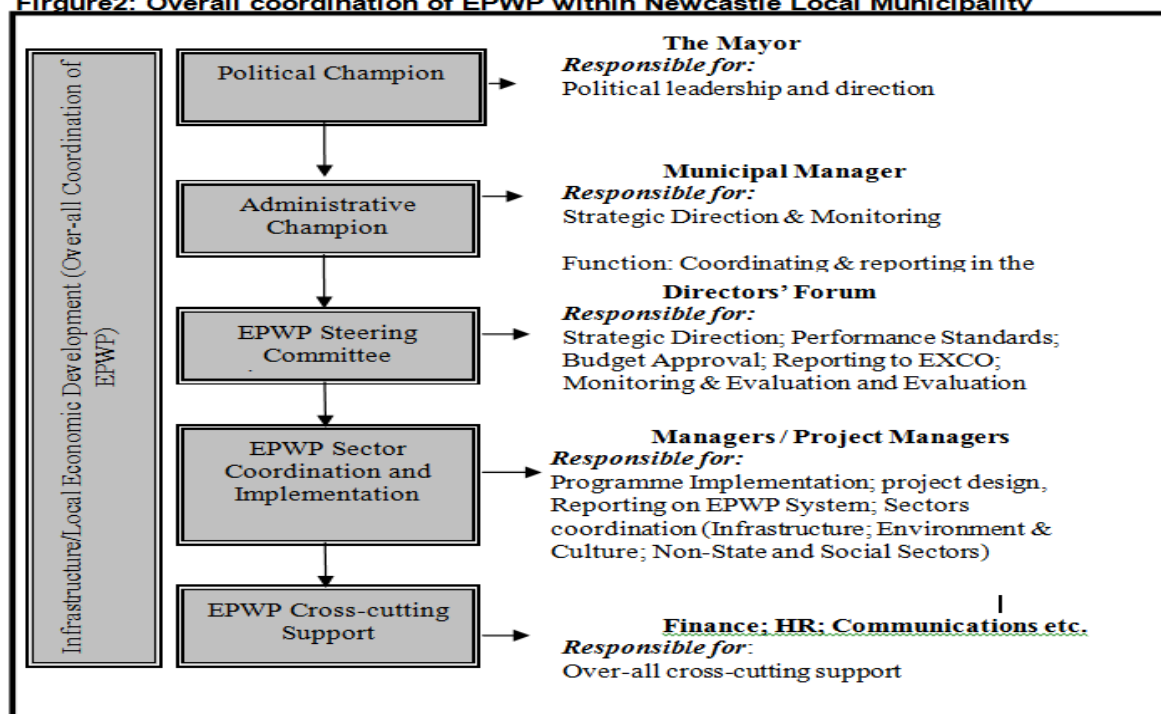


Figure 30: Overall coordination of EPWP within NLM.

So far the Newcastle Municipality EPWP has had a lot of success with regards to the outcomes of its implementation. Under the municipal infrastructure programme, there has been 127 (55 Females and 72 Males) beneficiaries which includes. There has also been an additional 248 (136 Females and 112 Males) beneficiaries within municipal initiatives for improved environmental management which translates to a total of 375 jobs created since the EPWP started within the Newcastle Municipality. Based on the numbers presented above, it is also evident that the programme is also addressing issues of gender equality through women employment. Some of the beneficiaries of the programme have also received training for environmental management and the details of the training are as follows:-

UNIT STANDARD TITLE	USA SAQA ID	US NQF LEVEL	CREDITS	DURATION
Apply Environmental Management tools to assess impact	119554	2	5	6
Keep the work area safe and productive	13220	2	8	10

UNIT STANDARD TITLE	USA SAQA ID	US NQF LEVEL	CREDITS	DURATION
Participate in work group activities	13258	2	4	5

3.6.21.2. PHASE III TARGETS - EPWP

The following entails Newcastle Municipality's EPWP targets for phase 3 and these relate to the number of people to be employed under the programme within municipal development initiatives:-

FINANCIAL YEAR	TARGET NO. OF PEOPLE
2014/15	784
2015/16	969
2016/17	1 160
2017/18	1 424
2018/19	1 568

The following entails projections for 2015/16 in terms of budget allocations from a municipal perspective for EPWP:-

ALLOCATION (R)	TARGET NO. OF PEOPLE	SALARIES (R)	PPE & TOOLS
3 286 000.00	239	2 868 000.00	R418 000.00

3.6.22. SWOT ANALYSIS.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Central location to existing industrial centres - Johannesburg and Durban Good existing agricultural and manufacturing base Large domestic market - located between the Gauteng, KwaZulu-Natal and Free-State markets Array of events that occur within Newcastle attracting thousands of people each year, as well as business visitors Good base of educational and research institutions (a number of higher education institutions including Amajuba college, Damelin, Boston and UNISA) Relatively reliable transportation network and relatively good basic infrastructure Relatively safe locality Close proximity to mining centres – mainly Dannhauser and Mpumalanga 	<ul style="list-style-type: none"> Lack of value-adding (including agro-processing) Decline in employment within agriculture and manufacturing Insufficient funding for the implementation of LED projects Lack of coordination between the private and public sector (especially provincial and national departments relevant to the project) Poor institutional support and assistance in the region from public sector. Red-tape is creating an regulatory and administrative burden for business (incl environmental processes) Current weak tourism sector Lack of business retention and expansion High levels of unemployment Inadequate infrastructure (road and rail network, and bulk services) Limited access to credit
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Community development through agro-processing and community agricultural projects Diversification of the manufacturing sector and development of new value-chains (incl 	<ul style="list-style-type: none"> Increased international competition in both the manufacturing and agricultural sectors, with limited protection or support from government

<p>renewable energy products) with a clear vision</p> <ul style="list-style-type: none"> • Infrastructure development • Opening of new mines in Dannhauser (30 km away) - Newcastle has traditionally provided housing for mining workers • Targeting of national, provincial and regional sporting events and conferences/functions • Capturing of the new emerging skilled workforce • Development of an ICT and Innovation base within Newcastle to stimulate the knowledge economy (including industrial product design) <p>Investment promotion and facilitation (including development of incentives)</p> <ul style="list-style-type: none"> • Development of under-utilised or unutilised agricultural and industrial land (vacant farms and industrial lots) – such as an inland logistics hub geared for exports • Promotion of business retention and expansion programmes • Upgrading of the airport • Establishment of industry driven training and skills development through internships and apprenticeships. 	<ul style="list-style-type: none"> • Threat of mechanisation in both industrial and agricultural development • Increasing input costs (electricity, transport, capital and equipment) • Collapse of the rail network and unreliability of the current rail service • Corruption and a lack of accountability (financial and management) • Worsening climatic conditions which have translated into water scarcity and therefore negatively impacting on farming around Northern KwaZulu-Natal. • National labour regulations which has impacted negatively on the textile industry with little support for the industry by local government • Lack of relevant and suitable skills being produced by FET and tertiary institutions (particularly engineers) • Land reform and associated challenges (poor skills transfer to new farmers, slow process, etc)
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3.7. GOOD GOVERNANCE AND PUBLIC PARTICIPATION.

The Newcastle Municipality is a Category B Municipality. It functions under the Collective Executive system, consisting of 9 members. The Mayor is elected from the Executive Committee. The Council consists of 61 councillors of which 10 are full-time councillors. 31 of the 61 councillors are ward elected councillors while the other 30 comprises of proportional representation councillors. The Council has five Portfolio Standing Committees, with members of the Executive Committee serving as a Chairperson and Deputy Chairpersons.

3.7.1. GOOD GOVERNANCE.

3.7.1.1. INTEGGOVERNMENTAL RELATIONS.

Newcastle Municipality participate in the District IGR forum which is in two folds, the Mayors Forum and the Technical Forum for Municipal Managers. These Forums gives the strategic and political direction for all municipalities within the District particularly on planning and development. There is also a Growth and Development Summit that is being held annually

for municipalities to discuss development agenda for the region. Newcastle being the District hub takes the leading role as well as the centre stage on infrastructure development and economic issues. At the Provincial level, the municipality participate on the Premiers Coordinating Forum and Min-Mec Forum for Municipal Managers. For Economic Issues, the municipality participate on SIP2 forum which is a body coordinated by the KZN Trade and Investment.

3.7.1.2. AUDIT FUNCTION.

Newcastle Municipality is a high capacity municipality and has established its own Audit Committee as opposed to the Shared services function supported by COGTA. The requirement for municipalities and municipal entities to establish an Audit Committee is contained within Section 166 of the Municipal Finance Management Act 56 of 2003 and article 14 (2)(a) of the Municipal Planning and Performance Management Regulations 2001. The Audit Committee is an independent advisory body, appointed by Council to assist Council in discharging their responsibilities. The Audit Committee serves as an independent advisory body to the Council, the Political Bearers and the Accounting Officer thereby assisting Council in its oversight role.

The Audit Committee Charter sets out the committee specific responsibilities and details the manner in which it will operate. The Audit Committee also functions as the Risk Management Audit Committee and it has 5 members from NLM senior managerial positions emanating from the Risk Management Unit and the Internal Audit Unit. The committee holds about 8 meetings annually whereby issues pertaining to risk management are discussed. For the year under review, the term of office of the Audit Committee ended in December 2014, with a new Committee being established in January 2015. The consists of independent members who, by virtue of the requirement of Section 166 of the MFMA (Act No. 56 of 2003) and in terms of its approved Terms of Reference, is required to meet at least four times a year.

3.7.1.3. AUDIT COMMITTEE MEMBERSHIP

Name of Member	Number of Meetings Scheduled	Number of Meetings Attended
Mrs T.C. Ndlela	5	4
Mrs F. Buckus	5	2
Mr A. Jordan	5	3
Mr I. Simjee	5	2
Mr S. Majola	5	0
The Term of office of the members above ended in December 2014 and the new members and meeting attendance are detailed below:-		
Mrs T.C. Ndlela	4	4
Ms B. Molefe	4	3
Mr B. Madliwa	4	4
Mr L. Quayle	4	4

Name of Member	Number of Meetings Scheduled	Number of Meetings Attended
Mr B. Mthimkhulu (Resigned in May 2015)	4	3

3.7.1.4. EFFECTIVENESS OF INTERNAL CONTROL

The municipality's system of internal control is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are effectively managed. According to the Municipal Finance Management Act (Act No. 56 of 2003) and the King Reports on Corporate Governance requirements, Internal Audit and the Auditor General reports provide that the Audit Committee and Management, with assurance that the internal controls of the municipality, are appropriate and effective. This is achieved by means of a risk assessment and review process, testing of controls, as well as identification of corrective actions and suggested enhancements to controls and processes. The committee has reviewed various reports from the Internal and External Auditors, which highlighted the adequacy and effectiveness of internal control systems within the municipality. The Committee noted a significant improvement within the Supply Chain Management process, in particular, the issue of irregular expenditure. This has also improved in the last quarter of the financial year.

Management has taken the views of both the Internal and External Auditors seriously even though some of the processes did not allow the municipality to move from its previous audit opinion. A lot of efforts in terms of human resources and financial resources were employed to assist the situation which is hoped that the results will be realised in the 2015/2016 financial year audit. Quarterly reports on progress made in implementing the plan was also tabled at the Audit Committee for the purposes of continuous monitoring.

3.7.1.5. OBJECTIVES.

- ☛ Maintaining oversight responsibilities of all financial and performance reporting.
- ☛ Seek reasonable assurance that the operations of the municipality are conducted efficiently and effectively.
- ☛ Seek reasonable assurance that the Council has developed and complies with its policies, plans, procedures and internal controls.
- ☛ Seek assurance that the Council complies with relevant legislation, regulations and professional pronouncements.

3.7.1.6. INTERNAL AUDIT.

- ☞ Review and approve the Internal Audit Charter .
- ☞ Review of the Audit Committee Charter and submit to council for approval.
- ☞ Advise Council as to whether the internal audit unit is given the resources and operational independence required to fulfil its role as outlined in the Internal Audit Charter.
- ☞ Review and approve the annual risk based internal plan.
- ☞ Ensure that all identified risk areas are prioritized and incorporated in the annual audit plan.
- ☞ Receive and review the quarterly internal audit report on the implementation of the internal audit plan and any of the matters relating to:-
 - ✓ Internal Audit;
 - ✓ Internal controls;
 - ✓ Accounting procedures and practices;
 - ✓ Risk and risk management;
 - ✓ Performance management;
 - ✓ Loss control;
 - ✓ Compliance with the Municipal Finance Management Act, Division of Revenue Act (DORA) and any other applicable legislation; and
 - ✓ Investigate any other matter as requested by the Municipal Manager.
- ☞ Receive reports prepared by the internal audit unit on significant findings and recommendations to address those findings together with management responses with timeframes to implement recommendations.
- ☞ Ensure that all findings and recommendations as per 4.1.7 are adequately addressed by management.

3.7.1.7. INTERNAL CONTROL.

- ☞ Evaluate the overall effectiveness of the internal control and risk Management frameworks and consider whether recommendations made by the internal and/or external auditors have been implemented by management.
- ☞ Assess whether proper adequate accounting records are being maintained.

- Ensure that Council has the necessary policies in place to protect and safeguard assets and to ensure legal compliance with all relevant legislation. Examples - Prevention of Fraud Policy, Procurement Policies

3.7.1.8. MUNICIPAL GOVERNANCE STRUCTURES.

The Newcastle Municipality has 61 democratically elected councillors which constitute the council. Council meets at least monthly and is the final decision making body within the municipality. The Executive Committee (EXCO) is responsible for the day-to-day running of the organization, and decision making. They meet regularly to receive reports from the Municipal Manager. EXCO is supported by the following portfolio committee, who serve as oversight structures in respect of various line functions and responsibilities of the municipality:-

Table 60: Portfolio Committees

PORTFOLIO	INITIALS AND SURNAME
Finance Chairperson	Cllr. A.F.Rehman : Mayor
Technical Services Chairperson	Cllr. R.N. Mdluli: Deputy Mayor
Technical Services Deputy Chairperson	Cllr. J.A. Vorster
Community Services Chairperson	Cllr. N.P. Kunene
Community Services Deputy Chairperson	Cllr. T.Z. Hadebe
Development Planning Chairperson	Cllr. M. Shunmugan
Development Planning Deputy Chairperson	Cllr. S.B.M.Lukhele
Corporate Services Chairperson	Cllr. B.S. Ntombela
Corporate Services Deputy Chairperson	Cllr. R.B. Ndimma

In addition, the municipality has established a Municipal Public Accounts Committee (MPAC) to oversee the expenditure and accountability for public funds entrusted to the municipality. The structure and current membership of this committee is indicated on the table below:

Table 61: Municipal Public Accounts Committee

PORTFOLIO	INITIALS AND SURNAME
Finance MPAC	Cllr. M.V. Buhali
MPAC	Cllr. J.K. Gabuza
MPAC	Cllr. T.S. Hlabisa
Development Planning MPAC	Cllr. S.B.M. Lukhele
MPAC	Cllr. H.S. Madonsela

PORTFOLIO	INITIALS AND SURNAME
Finance & Development Planning MPAC	Cllr. M.G. Mlangeni
MPAC	Cllr. G.A. Mncube
Community Services MPAC	Cllr. D.O. Shabalala
MPAC	Cllr. D.E. Tshabalala
Technical Services MPAC	Cllr. S.J. Zulu
Finance MPAC	Cllr. T.M. Zulu
MPAC	Cllr. N.A. Zwane

3.7.1.9. RISK MANAGEMENT.

Newcastle Municipality has implemented risk management system in compliance with Section 62 (1) (c) (i) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), which requires the Accounting Officer/Municipal Manager to take all reasonable steps to ensure that the Municipality has and maintains effective, efficient and transparent systems of risk management and internal controls. Newcastle Municipality recognizes risk management as a critical part of the municipality's strategic management, which is a process whereby the municipality both systematically and intuitively mitigates the risk attached to its strategic objectives with the ultimate goal of achieving sustained benefit within each programme and across the portfolio of activities. Risk Management is therefore recognized as an integral part of sound organizational management and is being promoted throughout the municipality as good management practice for ensuring good governance.

Like all other government institutions, Newcastle Municipality also faces uncertainty, and the challenge for management is to determine how much **uncertainty** the municipality is prepared to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance **value**. Newcastle Municipality recognizes that value is maximized when management sets objectives to strike an optimal balance between growth and related risks, and effectively deploys resources in pursuit of the municipality's objectives.

The Risk and Compliance Management Unit is managed under the Municipal Accounting Officer's office and is overseen by the Chief Risk Officer. This unit has fulfilled its responsibility as stipulated under the Municipal Finance Management Act (Act No. 56 of 2003) and is progressing well to meet the Commission of Sponsoring Organisation (COSO) framework standards. The Audit Committee has reviewed and commented on the report submitted to it on a quarterly basis. Management is continuously implementing the Audit Committee

recommendations and the whole risk and compliance management system is progressing fairly well. The Municipality has introduced a continuous system identifying risks at an operational level. This will assist management by ensuring the minimisation of strategic risk.

Table 62: Newcastle Municipality Risk Register.

RISK NO.	OBJECTIVES LINKED TO THE IDP	RISK IDENTIFIED	RISK CATEGORY	POSSIBLE CONSEQUENCES	INHERENT RISK RATING	RISK MITIGATION MEASURES	RESIDUAL RISK RATING
NM-R1	To ensure effective and efficient service delivery	Poor service delivery/ Service delivery failure [Failure to meet service delivery targets aligned to the IDP & SDBIPs/Inability to meet community expectations]	service delivery risk	Intervention by Provincial government; Community unrest; Damage to council property and councillors' properties; Councillors' lives may be in danger;	Maximum	Performance agreements with HODs; SDBIPs; MANCO meetings; Performance monitoring and evaluation; Monitoring of the Implementation of resolutions; Communication of service delivery progress and challenges to the community. Public participation and consultation processes	Low
NM-R2	To ensure sound financial and fiscal management and good governance.	Poor financial management	Financial risks	Financial loss; Negative audit outcomes; intervention by provincial government; compromised service delivery; irregular expenditure; unauthorised expenditure; Fruitless and wasteful expenditure; poor credit rating;	Maximum	MFMA compliance monitoring; Finance policies; Compliance checklists; Monthly reconciliations;	Medium
NM-R3	To ensure a financially viable municipality.	Negative cash flows and lack of financial viability	Liquidity risk/ Financial risk	Negative audit outcomes; intervention by provincial government; compromised service delivery	Maximum	Compliance to the MFMA, Debt collection and credit control policy activities, and other finance policies; Monthly reporting and monitoring of cash flows	High

RISK NO.	OBJECTIVES LINKED TO THE IDP	RISK IDENTIFIED	RISK CATEGORY	POSSIBLE CONSEQUENCES	INHERENT RISK RATING	RISK MITIGATION MEASURES	RESIDUAL RISK RATING
NM-R4	To ensure effective asset management.	Poor assets management [movable and immovable assets]	Financial risk	Inaccurate assets register; understated/ overstated financial records; Loss/ theft of assets without detection; Misappropriation of assets; Negative audit outcomes; Proceeds from the disposal of immovable property may not be collected and recorded resulting in financial loss	Maximum	Assets verification conducted quarterly; Assets reconciliations conducted monthly; Assets management policy; assets management procedures; assets controllers appointed for all departments to assist the assets management unit in updating assets inventories and monitoring the movement of assets; assets disposal policy	Medium
NM-R5	To ensure good governance	Failure to maintain clean governance	Governance risk	Unfavourable audit outcomes; Intervention by provincial government; Negative publicity and bad reputation;	Maximum	Compliance monitoring by all departments; All HODs, Directors and Line managers to ensure compliance with relevant prescripts; Good governance forms part of the SDBIP and be subjected to monitoring and evaluation; Code of conduct/ethics in place; Standing Rules and Orders; Approved delegations policy; Applicable legislation; Batho pele principles applied. Risk management implemented; Audit committee; MPAC, Internal Audit Activity.	Medium
NM-R6	To ensure safeguarding of council's assets/ property and human resources.	Poor safeguarding of council assets and compromised safety of employees, councillors and other stakeholders within the Municipal premises	Safety and security risk	Loss of movable assets; Damage to council property; Vandalism of council property; Safety of council staff and political office bearers at risk -Loss of life/lives; Theft of assets; Not meeting the level of minimum security standards which may in damage to property. Increased security breach incidents; litigation against the municipality	Maximum	Limited physical and logical security. We have designed physical security measures.	High

RISK NO.	OBJECTIVES LINKED TO THE IDP	RISK IDENTIFIED	RISK CATEGORY	POSSIBLE CONSEQUENCES	INHERENT RISK RATING	RISK MITIGATION MEASURES	RESIDUAL RISK RATING
NM-R7	To ensure access to electricity and other forms of energy where applicable	Power supply failure/ electricity outages/ Electricity losses	Infrastructure risk	Financial loss and negative economic growth due to the inability to attract investment to the Municipal area as a result of electricity outages;	Maximum	Maintenance Plan in place; Load shedding; Power supply restriction technology	Low
NM-R8	To ensure access to clean water	Water loss	Service delivery risk	Hampered service delivery; Financial loss and negative economic growth due to the inability to attract investment to the Municipal area due to shortage of water.	Maximum	Maintenance Plan in place; water leaks audits; identification of water leaks; Water conservation;	High
NM-R9	To ensure access to clean water	Water contamination	Environmental Health and safety risk	Cholera outbreak of other related diseases resulting in loss of lives followed by litigations against the Municipality	Maximum	Regular testing; Compliance with norms and standards;	Low
NM-R10	To ensure sound financial management	Lack of integrity, credibility and accuracy of financial information	Financial risk/	Materially misstated financial statements resulting in ill-informed decisions. Audit queries; Exposure to risk of fraud and corruption. Conditional grants may be withheld by transferring department;	Maximum	Monthly reconciliations; Monthly financial statements and section 71 report for monitoring purposes	Medium

RISK NO.	OBJECTIVES LINKED TO THE IDP	RISK IDENTIFIED	RISK CATEGORY	POSSIBLE CONSEQUENCES	INHERENT RISK RATING	RISK MITIGATION MEASURES	RESIDUAL RISK RATING
NM-R11	To ensure good governance through transparency and accountability	Fraud and corruption	Financial risk/ Information technology risk; Fraud and corruption risk	Fraudulent transactions may be processed resulting in financial loss; Negative publicity resulting in bad reputation and discouraging investment in town and professionals to join the organization; intervention by provincial government; Community unrest resulting in interruption of services and damage to property	Maximum	Monthly reconciliations; Code of ethics and conduct; Fraud prevention plan; Fraud and corruption policy; compliance monitoring by all departments; Regular compliance review by Internal audit and Risk management and compliance unit; whistle blowing; Declaration of interest; Forensic investigation of the allegations of fraud and corruption;	Medium
NM-R12	To provide efficient and effective IT systems and support services	Ageing IT infrastructure resulting in IT systems failure / IT systems crash.	Information technology and Business continuity risks	Inability to ensure business continuity; Hampered service delivery; Non-recovery of data from disaster and disruption.;	Maximum	Approved Disaster recovery and business continuity policy. Disaster recovery testing; enhanced capacity	Low
NM-R13	To provide efficient and effective IT systems and support services	Loss of critical data and institutional memory	Information technology and Business continuity risks	Hampered service delivery; No business continuity;	Maximum	Approved Disaster recovery and business continuity policy; To conduct bi-annual disaster recovery and business continuity testing.	Medium
NM-R14	To ensure effective and efficient fleet management	Poor fleet management	Service delivery risks	Inability to ensure business continuity; Frequent breakdown result in hampered service delivery; High maintenance costs; High dependence on service providers	Maximum	Fleet management policy; Fleet management system; maintenance/service plans	Medium
NM-R15	To ensure effective and efficient communication.	Negative publicity	Information and communication risk; Reputational risks	Negative perception from the community and other stakeholders; Community unrest; Low staff morale; inability to attract professionals, as well as critical and scarce skill;	Maximum	Adherence to communication policy; Code of ethics and conduct	Medium

3.7.2. PUBLIC PARTICIPATION.

3.7.2.1. MECHANISMS FOR PARTICIPATION.

Public participation is important to determine the exact needs that exist in the communities in relation to the developmental priorities during the public meetings and information gathering. The Newcastle Municipality will be utilizing the following mechanisms for public participation when developing its IDP.

- ☛ **IDP Representative Forum (IDP RF):** This forum represents all stakeholders and key interested and affected parties. This includes the Ward Committees, AmaKhosi, Non-Governmental Organizations (NGOs), Community Based Organisations (CBOs), Organized Business, Faith Organizations and organized agriculture.
- ☛ **Media:** Local newspapers will be used to inform the community of the progress of the IDP and further due meetings' including the IDPRF and community road shows.
- ☛ **Radio Slots:** The Newcastle Community radio station will be used to make public announcements where necessary.
- ☛ **The Newcastle Website:** The Newcastle Municipality's website will also be utilized to communicate and inform the community. Copies of the IDP and Budget will be placed on the website for communities, general stakeholders and service providers to download.
- ☛ **Ward Committees:** The Newcastle Municipality has adopted the Ward Committee policy which has resulted to the establishment of ward committees. The municipality considers ward committees as one of the institutional bodies to fast-track service delivery and deepen democracy. Ward Committees represents a wide range of community interest through the IDP RF meetings and their inputs are always considered. They also being used to disseminate the information about the developmental agenda of the municipality.
- ☛ **IDP/ Budget Road Shows:** The Newcastle Municipality hosts its community road shows through ward committee system to publicize the draft IDP and Budget during April and May 2015. The venues for these meetings are publicized at the IDP RF, public places and as well as through the local print media.

3.7.2.2. WARD COMMITTEE SYSTEM.

The Municipality has thirty one (31) wards, and each ward has a Ward Committee constituted of ten (10) members. In line with the requirements of Outcome 9, all of these wards combined at a municipal wide level and shall constitute a region. The region shall be divided into three (3) zones, viz;

- ☛ Zone A which will have 10 wards.
- ☛ Zone B which will have 10 wards.
- ☛ Zone C which will have 11 wards.

The Ward Committee system is structured according to the following fora:-

- ☛ Regional Ward Committee For a.
- ☛ Zonal Ward Committee Fora.
- ☛ 31 Ward Committees.

The Public Participation and IDP Directorate, established in the Office of the Municipal Manager and supports the Speaker, is responsible to ensure that the ward committees are functional in line with an approved Ward Committee policy. Furthermore, as part of the government programmes stream-lined towards the improvement of good governance, the Provincial government shall be rolling out workshops on the role of ward committee members in the implementation of the Back to Basics Programme and Newcastle Municipality is to benefit from the programme.

The functionality of Ward Committees are monitored through the submission of ward reports regarding Ward Committee Performance, which basically assesses the performance of Ward Committees within Newcastle. The performance is measured in terms of the following indicators:-

- ☛ Number of Ward Committee Meeting held – 1 per month;
- ☛ Number of Ward Committee Meetings chaired by the Councillor – 1 per month;
- ☛ Percentage of attendance – 50 plus 1;
- ☛ Number of community meetings held – 1 per quarter;
- ☛ Number of sectoral reports – 10 per month; and
- ☛ Number of reports submitted to the municipality – 1 per quarter.

The assessments are made on a quarterly basis, namely, the periods between July – September, October – December, January – March, and April – June of each year. The following entails the common challenges that have surfaced based on the report:-

- ☛ In general, the overall performance of the Newcastle Ward Committees is satisfactory. However, there are some challenges in certain wards whereby Councillors are not convening the ward committee meetings in line with the requirements of the policy. Such wards include wards 3, 13, 19, and 25.
- ☛ The stringent measures are being implemented by the Office of the Speaker to improve the situation.
- ☛ Newcastle Municipality has convened Constituency meetings across all 31 wards as part of strengthening democracy and governance structures within the municipality. It also played an integral role to cascade the service delivery information and information sharing within the governance structures.
- ☛ Furthermore, a Capacity Building Training for all Ward Committees is to be facilitated by the Public Participation Unit whose main purposes is to train Ward Committees on municipal processes.

Table 63: Ward Committee Database of Ward Committee.

WARD NO.	MEMBERSHIP	SURNAME	INITIALS	GENDER		SECTOR REPRESENTED
				M	F	
1	WARD CLLR	CLLR S KUBHEKA				
	WC MEMBERS	GININDA	NH		F	Health
		MAVUSO	NPZ		F	Individual
		MATHEBULA	ZJ	M		Individual
		MNDEBELE	FS	M		CPF
		NKOSI	PM		F	
		NGWENYA	NG		F	Women
		NKOSI	BP	M		Civil society
		MNTESHI	SN		F	
		MSIBI	NT		F	
2	WARD CLLR	CLLR E J C CRONJE				
	WC MEMBERS	BOTHA	HJ	M		Health & Social Development
		CLARK	D		F	Business
		CLARK	J.			
		FORDYCE	BG	M		social development
		HAIR	PA	M		Faith based
		HAIR	FM		F	Ratepayers Association
		MAZIBUKO	AZ	M		Youth
		MASONDO	AS	M		Business
		MBATHA	LL	F		Civil society
		NTOMBELA	S	M		Men's Forum
3	WARD CLLR	CLLR M SHANMUGAM				
	WC MEMBERS	ASRAFF	R			LED/Gender/Religion
		HOosen	OA			CPF
		MAHARAJ	KN			Individual
		MAHARAJ	S			Sport/Technical Services
		MAZIBUKO	WN			Men's Forum

WARD NO.	MEMBERSHIP	SURNAME	INITIALS	GENDER		SECTOR REPRESENTED
				M	F	
		KHAKHI	T			
		PILLAY	P			Individual
		RAMDHANI	R	M		Church
		SINGH	R		F	Individual
		TEALO	M		F	Business
4	WARD CLLR	CLLR T DE JAGER				
	WC MEMBERS	CHETTY	P	M		
		MONTGOMERY	HM	M		social development
		MONTGOMERY	R		F	social development
		NAIDOO	DM	M		
		NSUKAZI	ML	M		Business
		RAMDAW	MJ	M		Safety & Security
		MNGOMEZULU	M	M		Ratepayers Association
		SITHEBE	P	M		
		GAJO	M	M		
		BUTHELEZI	S	M		
5	WARD CLLR	CLLR G KHOZA				
	WC MEMBERS	BUTHELEZI	ET		F	Individual
		DLAMINI	CB	M		Youth
		KUBEKA	DL		F	Women
		MHLONGO	LM		F	Religious
		HARRIES	GH		F	Women
		NENE	PL		F	Civil society
		KUNENE	DN		F	organised labour
		PHAHLANE	STE	M		Individual
		THOMO	NB	M		Agriculture
6	WARD CLLR	CLLR J S MBATHA				
	WC MEMBERS	MABASO	MJ	M		Tourism& environment
		MBHELE	JN		F	Informal traders
		MCHUNU	NA		F	Health & Social Development
		MLOTSHA	A	M		social development
		MTHETHWA	S		F	Women
		MTSHALI	NM	M		
		RADEBE	JN		F	Education
		SITHOLE	DT		F	Religious
		TSOTETSI	XH		F	Youth
7	WARD CLLR	CLLR S.B HLATSHWAYO				
	WC MEMBERS	GASA	D	M		Men
		KHUMALO	BV		F	Safety & Security
		MAPANGA	NI		F	women
		MBELE	NP		F	Agriculture
		MHLONGO	S	M		Individual
		MSIBI	MT	M		Farming
		MHLONGO	BL		F	WOMEN
		PHAKATHI	BB	M		social development
		TWALA	J	M		health
8	WARD CLLR	CLLR SSE BUTHELEZI				
	WC MEMBERS	HLOPHE	BD		F	Civil society
		KHUMALO	PJ		F	Faith based
		MAKHATHI	NF		F	Youth
		MTSHALI	P		F	Women
		MKHABELA	DB	M		Tourism
		MLAMBO	TJ		F	social development
		MTSHALI	JF	M		Safety & Security
		NHLAPHO	GG	M		Education

WARD NO.	MEMBERSHIP	SURNAME	INITIALS	GENDER		SECTOR REPRESENTED
				M	F	
		SITHOLE	GP		F	Women
		THWALA	WB	M		Physically challenged
9	WARD CLLR	CLLR F P GAMA				
	WC MEMBERS	DHLAMINI NM	NM		F	SOCIAL DEVELOPMENT
		DLAMINI TL	TL	M		SAFETY & SECURITY
		GOQO MJ	MJ	M		FAITH BASED
		MABASO T	T		F	SOCIAL DEVELOPMENT
		MAKHUBU QC	QC		F	
		MNGUNI A	A	M		ARTS & CULTURE
		NKOSI NM	NM		F	BUSINESS
		NKOSI ST	ST		F	MENS FORUM
		QWABE RS	RS	M		SOCIAL DEVELOPMENT
		SHABANGU BU	BU		F	UNEMPLOYMENT
10	WARD CLLR	CLLR R.F BUTHELEZI				
	WC MEMBERS	BUTHELEZI NF	NF		M	Traditional healers
		CELE NB	NB	F		Health & Social Development
		DLAMINI SH	SH		M	Faith based
		KHUMALO SC	SC	F		Safety & Security
		MAKHUBU AT	AT	F		Women
		MFUSI AN	AN	F		Senior Citizens
		NGUBENI NJ	NJ	F		Gender
		NKABINDE JD	JD	F		Transport
		NKOSI T	T		M	Business
		SIBEKO SW	SW		M	Arts & culture
11	WARD CLLR	CLLR H T MALINDI				
	WC MEMBERS	KUNENE	PG		F	SGB
		MAHLOBO	MM		F	Women
		MBELE	PY		F	CPF
		MNGUNI	E		F	Business
		RADEBE	G	M		Traditional healers
		VILAKAZI	VB	M		
		XULU	BP	M		
		ZUNGU	MA		F	Civil society
		ZWANE	NG		F	Individual
12	WARD CLLR	CLLR B S NTOMBELA				
	WC MEMBERS	KUBEKA	LF		F	Safety & Security
		KUBHEKA	ZGR		F	Youth
		KHOZA	BL		F	Safety & Security
		TSHANINI	SS	M		
		KHUMALO	MJ	M		
		NGIDI	SGI	M		Farmers association
		NKUTHA	PE		F	Safety & Security
		MBOKAZI	NP		F	
		SILINDA	JJ	M		Civil society
		KUNENE	S	M		
13	WARD CLLR	CLLR R N MDLULI				
	WC MEMBERS	DUKASHE	M	M		Men's Forum
		KGANYE	SM		F	Education
		MHLONGO	AS	M		social development
		MOTLOUNG	TL	M		Faith based
		NTOMBELA	BJ	M		Safety & Security
		SIMELANE	MJ	M		Sports and culture
		ZULU	H		F	Health & Social Development
14	WARD CLLR	CCLR M.F ZIKHALI				
	WC MEMBERS	HLATSHWAYO	N		F	Education
		LUKHELE	TE		F	Safety & Security
		MAZIBUKO	KTW		F	SGB

WARD NO.	MEMBERSHIP	SURNAME	INITIALS	GENDER		SECTOR REPRESENTED
				M	F	
		ZWANE	S	M		
		MKHONZA	HP		F	Traditional Leadership
		NHLENGETWA	MR	M		Men's Forum
		NXUMALO	NP		F	Agriculture
		THUSI	AS	M		youth
		TSHABALALA	SN		F	
		MSIMANGO	SV	M		
15	WARD CLLR	CLLR N S MATHEWS				
	WC MEMBERS	DUBE FS	FS		F	Individual
		HESHU TJ	TJ		F	Safety & Security
		MAHLANGU JJ	JJ	M		Men's Forum
		NDABA T.	T	M		
		MKHWANAZI NL	NL		F	Individual
		MSIBI S	S	M		Individual
		MSIMANGO N	N		F	Women
		MTHEMBU RN	RN		F	social development
		SIBIYA P J	PJ	M		Individual
16	WARD CLLR	CLLR E.M NYEMBE				
	WC MEMBERS	BUTHELEZI TE	TE		F	Individual
		SIYAYA BS	BS	M		Youth
		MSIBI TH	TH	M		Business
		NDIMANDE FL	FL		F	social development
		NKOSI NG	NG		F	Professionals
		NKOSI ZG	ZG		F	Youth
		NTANDA EN	EN	M		Youth
		NGWENYA			F	Women
		SHABALALA G	G	M		Safety & Security
17	WARD CLLR	CLLR D M SIBILWANE				
	WC MEMBERS	JACK PST	PST	M		Individual
		JELE GE	GE		F	Individual
		JIYANE G	G	M		Faith based
		KUBHEKA EJ	EJ		F	Individual
		MLAMBO JE	JE	M		Education
		NKOSI FF	FF		F	Faith based
		SANGWENI AN	AN		F	Individual
		TSHABALALA ZR	ZR		F	Sports and culture
		THWALA TJ	TJ		F	Individual
		THWALA SE	SE		F	Education
18	WARD CLLR	CLLR D E TSHABALALA				
	WC MEMBERS	DUBE CK	CK	M		Individual
		KUBEKA SJ	SJ		F	social development
		XABA WM	WM	M		Men's Forum
		MASEKO N	N		F	Business
		MNGUNI ZJ	ZJ		F	Health
		NKUTHA BP	BP		F	Business
		RADEBE N	N		F	Business
		GAOBOIHE L.B	LB		F	
		SITHOLE Z.	Z	M		Civil society
		TWALA	GS		F	
19	WARD CLLR	CLLR M O MDLALOSE				
	WC MEMBERS	BESSIT P	P		F	Safety & Security
		RADEBE	NP		F	Youth
		DLUDLA BV	BV	M		Public transport
		KHUMALO NL	NL		F	Individual
		KHUMALO VD	VD	M		Safety & Security
		MABANGA SP	SP		F	Faith based
		PITA	H	M		Mens

WARD NO.	MEMBERSHIP	SURNAME	INITIALS	GENDER		SECTOR REPRESENTED
				M	F	
		MTHEMBU VE	VE		F	Business
		THWALA TM	TM	M		Civil society
		XHAKAZA FS	FS		F	Faith based
20	WARD CLLR	CLLR Z J MBATHA				
	WC MEMBERS	DLUDLU D	D		F	Agriculture
		KHUMALO SL	SL		F	Safety & Security
		KUNENE KTD	KTD		F	Individual
		MADIDA NG	NG		F	Business
		MBIZA LM	LM		F	Individual
		MNCWANGO NV	NV	M		Individual
		MTSHALI MM	MM	M		welfare
		SIBISI TH	TH		F	Individual
		THABEDE ZR	ZR		F	Youth
		XABA	MP		F	
21	WARD CLLR	CLLR S G NDLOVU				
	WC MEMBERS	BUTHELEZI RM	RM	M		Health
		KUBHEKA NJE	NJE	M		Youth
		MADONDO NSA	NSA	M		Health
		MBATHA TL	TL	M		Health
		NDLOVU K	K		F	Youth
		NKOSI NB	NB			Women
		NYEMBE MV	MV		F	Business
		THWALA D	D	M		Individual
		ZIQUBU SD	SD	M		Individual
		ZWANE	NP	M		Individual
22	WARD CLLR	CLLR T S HLABISA				
	WC MEMBERS	DLAMINI PN	NP		F	INDIVIDUAL
		GWEBU VN	VN		F	INDIVIDUAL
		KHANYILE NC	NC		F	INDIVIDUAL
		KHUMALO NM	NM		F	INDIVIDUAL
		KHUMALO T	T		F	INDIVIDUAL
		MADONSELA FM	FM		F	INDIVIDUAL
		NGUBANE SR	SR	M		INDIVIDUAL
		THABEDE TB	TB	M		INDIVIDUAL
		VILAKAZI TF	TF	M		INDIVIDUAL
23	WARD CLLR	CLLR NGOBESE				
	WC MEMBERS	BUTHELEZI	S H	M		INDIVIDUAL
		BUTHELEZI	S P	M		INDIVIDUAL
		KHANYILE	F		F	INDIVIDUAL
		MAVUNDLA	N P		F	INDIVIDUAL
		MDAKANE	N		F	INDIVIDUAL
		MDLALOSE	A		F	INDIVIDUAL
		NGWENYA	N C		F	INDIVIDUAL
		LANGA	BBN		F	YOUTH
		XABA	N		F	INDIVIDUAL
		ZIKHALI			F	INDIVIDUAL
24	WARD CLLR	CLLR J K GABUZA				
	WC MEMBERS	KUBHEKA BJ	BJ		F	Health & Social Development
		MAGUBANE SS	SS	M		
		MBATHA NS	NS			
		MHLONGO DN	DN		F	
		MLAMBO A	A	M		
		MSIBI TC	TC		F	Health & Social Development
		NTSHANGASE DT	DT		F	
		SHANGE B	B		F	
		SITHOLE S	S	M		
		THWALA TP	TP		F	Agriculture

WARD NO.	MEMBERSHIP	SURNAME	INITIALS	GENDER		SECTOR REPRESENTED
				M	F	
25	WARD CLLR	CLLR M E NGCOBO				
	WC MEMBERS	DLAMINI M	M	M		social development
		DUBE S	S	M		social development & health
		DU TOIT L	L	M		Ratepayers Association
		MAZIBUKO QZ	QZ		F	women
		MDINISI KJ	KJ		F	Civil society
		NXUMALO SM	SM		F	Agriculture
		RADEBE TJ	TJ		F	safety & Security
		SOKHELA VV	W		F	Business
		WELLS BT	BT	M		Education
		NKABINDE	NR		F	women
26	WARD CLLR	CLLR M BHEKISWAYO				
	WC MEMBERS	NYAWOZE	ZS		F	Women
		DLAMINI ZA	ZA		F	Business
		MABANGA MS	MS	M		Individual
		MAHAYE TI	TI	M		Individual
		MDINISO	RST	M		Business
		KUBHEKA	ME	M		Youth
		MASUKU M	M	M		Sport
		NGUBENI WF	WF	M		Individual
		KHUMALO	SL		F	Women
		BUTHELEZI	MR	M		Faith base
27	WARD CLLR	CLLR N A MSIBI				
	WC MEMBERS	CINDI DS	DS		F	Individual
		MASOONDO DM	DM		F	Individual
		MLOTSHWA SE	SE	M		Individual
		MTHIMKHULU R S	RS		F	Women
		NGCOBENI J	J	M		Business
		SHABALALA MT	MT	M		Youth
		RADEBE	MN	M		Youth
		ZULU	M I	M		Youth
		THWALA MP	MP	M		Men's Forum
		ZWANE F S	FS		F	Individual
28	WARD CLLR	CLLR D O SHABALALA				
	WC MEMBERS	KUBHEKA	D T	M		YOUTH
		MBATHA	K A		F	YOUTH
		MGADLE	B M		F	EDUCATION
		MZILA	NH		F	Youth
		MNTAMBO	N P		F	CHILD CARE
		MPOSULA	T S		F	BUSINESS
		NKOSI	D S		F	BUSINESS
		HADEBE	SP	M		Youth
		SHABALALA	AJS	M		BUSINESS
		SNYMES	S A E	M		RELIGIOUS
29	WARD CLLR	CLLR M N MBOKAZI				
	WC MEMBERS	HALOM	M B	M		INDIVIDUAL
		MALINDI	N M		F	SOCIAL DEVELOPMENT
		MATHE	R		F	SOC DEVELOPMENT
		MBATHA	J A	M		FAITH BASED
		MDLALOSE	FF		F	AGRICULTURE
		MNGOMEZULU	Z R		F	CPF
		NKOSI	S J	M		CIVIL SOCIETY
		SHABANGU	FF		F	CIVIL SOCIETY
		SITHOLE	E N		F	HEALTH
		ZWANE	D		F	INDIVIDUAL
30	WARD CLLR					

WARD NO.	MEMBERSHIP	SURNAME	INITIALS	GENDER		SECTOR REPRESENTED
				M	F	
	WC MEMBERS	BUTHELEZI	TM		F	Agriculture
		KHUMALO	G			social development
		LAHLANI	S		F	Religious
		MAKHATHINI	PP		F	
		MNTAMBO	TE		F	Health
		MSIMANGA	J		F	
		MKHWANAZI	ES	M		
		NDLOVU	MH	M		Faith based
		NKOSI	MA	M		Religious
		ZWANE	ZE	M		Men's Forum
31	WARD CLLR	CLLR S MADONSELA				
	WC MEMBERS	MAGUBANE	M		F	YOUTH
		MASEKO	T G		F	SENIOR CITIZEN
		MBATHA	A	M		SOCIAL DEVELOPMENT
		MBATHA	D M	M		CPF
		MBHELE	M J	M		LAND OWNER ASSOCIATION
		MOSES	M	M		FARMING
		MTHETHWA	S		F	CPF
		NGOBESE	B V	M		MENS FORUM
		NKOSI	K		F	CPF
		TSHABALALA	FM		F	WOMEN

3.7.3. SWOT ANALYSIS.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Well established and functional IGR structures. Well-functioning MPAC and well established internal audit function. Risk management strategy and in-house capacity. Functional portfolio committees that perform an oversight function. Public involvement in municipal affairs. Functional ward committees. Good governance systems. New offices. 	<ul style="list-style-type: none"> Failure to obtain a clean audit report from the Auditor General. Implementation of policies. Legislative compliance.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Support from national and provincial government. Public confidence and good media coverage Publicity and good marketing campaigns 	<ul style="list-style-type: none"> Constant changes in local government legislation and policies. Political violence and intolerant Slow pace of service delivery which may spark service delivery protests.

3.8. FINANCIAL VIABILITY AND SUSTAINABILITY/PROFILE.

3.8.1. FINANCIAL MANAGEMENT POLICIES.

The following Financial Policies have been developed and adopted by the municipality:

- ☛ Asset Management Policy
- ☛ Cash Management & Investment Policy
- ☛ Credit Control Policy
- ☛ Supply Chain Management Policy
- ☛ Municipal Property Rates Policy
- ☛ Credit Control, Debt Collection and Customer Care Policy
- ☛ Tariff Policy

3.8.2. PROPERTY RATING SYSTEM.

The municipality implemented the new valuation roll compiled in terms of the Property Rates Act, 6 of 2004, since July 2009. All properties under the jurisdiction of the Newcastle Municipality are now included in a single valuation roll. This Act has assisted the municipality to raise its revenue and be able to be financially viable and to render sustainable services in an effective manner.

3.8.3. FINANCIAL PERFORMANCE.

The revenue base of the Municipality has increased from R851 014 835 in 2009 to R1 420 050 630 in the financial year ended 30 June 2014. This represents phenomenal growth ranging from 53% in 2010, a slight decline of 8% in 2011 and 20% increase from 2011 to 2012. The 20% growth in 2012 was attributed to Landfill Site Provision Adjustment of R50, 7 million and Doubtful Debt Adjustment of R137 million. These adjustments were mere book entries, and thus not indicative of revenue actually earned, during the year under review. The last two year's increases were significantly higher than the inflation rates which is indicative of good performance by the Municipality, although there was slight decline of 8%, which was caused by the reversal of impairment of investment in UThukela Water of R363 801 328.00, in 2010 which was a mere book entry and thus not indicative of revenue actually earned. All major revenue streams showed a sharp increase of 28% in 2011 if we ignore the effect of reversal of impairment of investment in UThukela Water and acceptable increase of 10% in 2012, which is a comforting scenario.

Table 64: Changes in Revenue (2009 to 2012)

Year	Total Revenue (R)	% Increase
2012	1 420 050 630	20%
2011	1 182 506 661	-8%
2010	1 289 670 253	53%
2009	850 774 918	

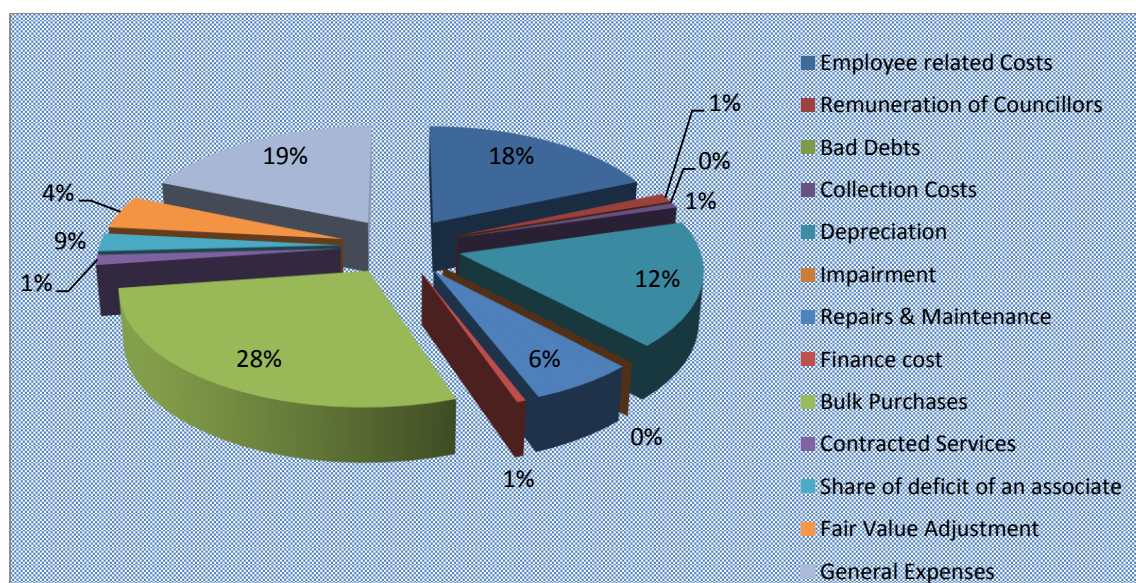
From the table above, the municipality generates more than half its total revenue base from service charges, which is 48%. The other significant sources of revenue are Property Rates 11%, and Government grants and Subsidies 25%. All other revenue sources are not considered significant and have not formed part of this analysis. The percentage contributions of various income sources to total income have remained constant in the years under consideration save for the Property rates which used to contribute 19% in 2008 and have shrunk to around 11% in 2012. The Government Grants and Subsidies on the same token have increased by 91% from 2009 to 2012. In the Analysis below, the focus is on the material revenue contributing elements in order to analyse their behaviour. In total these contributed R1 195 320 900 to the Municipality's R1 420 050 630 revenue in 2012, which represents over 84% of the Municipality's revenue base.

Table 65: Contribution by Revenue Elements

Item	% Contribution 2012	2012 (R)
Property Rates	11%	157 893 000
Service Charges	48%	683 860 407
Rental of facilities and equipment	0%	5 703 174
Interest earned - External Investments	2%	23 125 136
Fines	0%	1 572 104
Governments Grants & Subsidies	25%	352 567 493
Doubtful adjustment debts provision	10%	137 038 490
Landfill site provision adjustment	4%	50 765 425
Other Income	0%	6 525 401
Total Revenue	100%	1 420 050 630
Percentage Increase		20%
Contributions by material revenue elements		1 195 320 900
%Contributions by material revenue elements		84%

The following graph depicts a contribution of major revenues elements:

Figure 31: Contribution by Revenue Elements



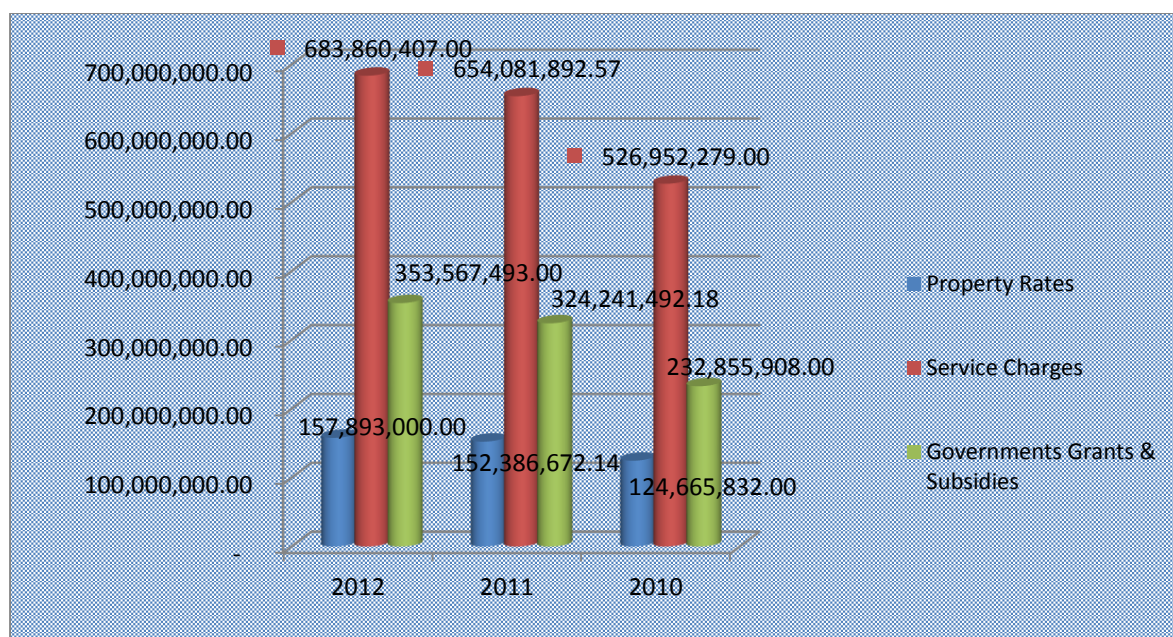
The table below reflects the movement in these revenue streams in the period under consideration. The pattern has, indeed, been erratic and therefore very little conclusions can be reached at this stage. There could very well, be cut-off or allocation issues in the presented numbers. The exercise has not, at this stage, zoomed into an in-depth analysis. The following tables depict movements of major revenue sources:

Table 66: Movement of Major Revenue Sources

Line Item	2009 (R)	2010 (R)	2011 (R)	2012 (R)
Property Rates	158 969 934	124 665 832	152 386 672	157 893 000
Service Charges	459 394 986	526 952 279	654 081 893	683 860 407
Governments Grants & Subsidies	184 135 143	232 855 908	324 241 493	353 567 493
Line Item	Increase (Decrease)			
	2010	2011	2012	
Property Rates	-28%	22%	4%	
Service Charges	15%	24%	12%	
Governments Grants & Subsidies	26%	39%	9%	

The following is a graphical presentation of the patterns of movements of these elements.

Figure 32: Movement of Major revenue Sources



3.8.4. EXPENDITURE

The total expenditure of the Municipality has decreased from R1 327, 6 billion in 2011 to R1 230, 1 billion in 2012. The decrease of 8% is as result of our revision of provision for doubtful debts which decreased significantly due to risk profiling exercise which was conducted by the independent ICT Company. The consequence of the sharp decline in doubtful debt provision resulted in municipality not accounting for debt impairment in the Statement of Financial Performance.

As evident from the table below, moreover, the trends in increases of expenditure far outweigh those in revenue indicating that, at face value, the Municipality has a serious challenge to curb expenses. Whereas it is understood that the sharp increase of expenditure increase is caused by the government call to improve and speed up service delivery to the poor and needy communities in the backdrop of “service delivery protests” to which the municipality has responded so well, nonetheless if these trends continue there will be a major challenge to afford the operations of the Municipality with the revenues that it generates, unless if new revenue streams are identified and exploited.

Table 67: Expenditure Patterns (2009 – 2012)

Year	Total Expenses (R)	% increase/(decrease)
2012	1 230 100 471	(-8%)
2011	1 327 668 613	58%
2010	837 794 672	(-6%)

Year	Total Expenses (R)	% increase/(decrease)
2009	891 283 864	

Below is a table of the proportionate contributions of each expenditure element to total expenses. The major expenditure drivers for the municipality are the following:

- Bulk purchases
- Employee related costs
- General expenses
- Depreciation, amortisation and impairments.

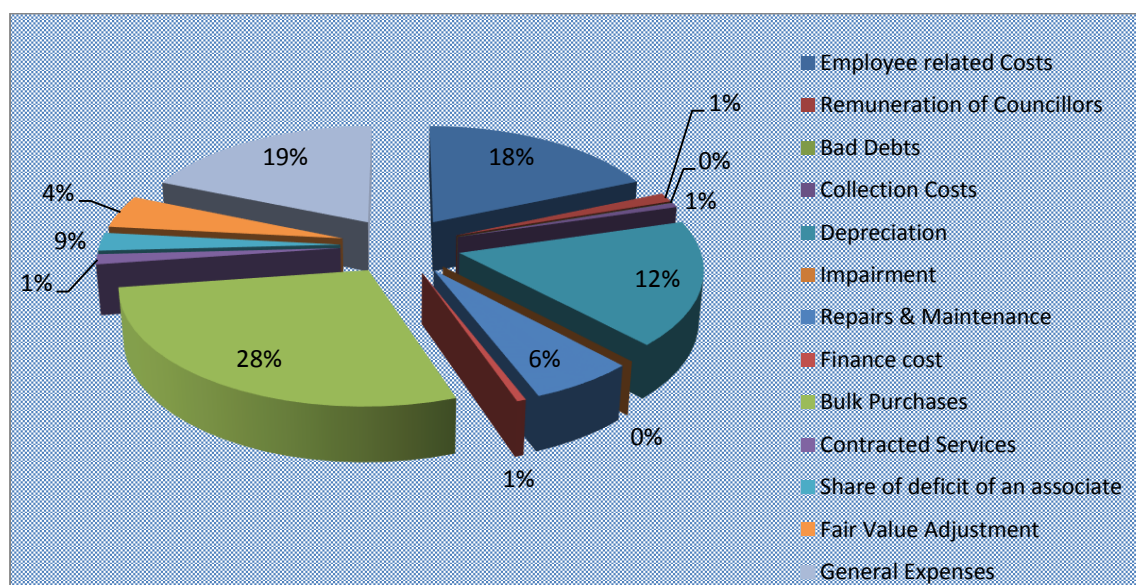
The table below depicts contribution of major expenditure items to total expenditure:

Table 68: Major Expenditure Items

Item	% Contribution 2012	2012
Employee related Costs	19%	230 600 985
Remuneration of Councillors	1%	16 193 188
Share of deficit of an associate	9%	112 405 248
Collection Costs	1%	8 534 242
Depreciation	18%	219 845 295
Repairs & Maintenance	6%	71 410 980
Finance cost	1%	6 650 041
Bulk Purchases	28%	349 411 144
Contracted Services	1%	17 530 983
General Expenses	12%	152 656 453
Fair Value Adjustments	4%	44 861 453
Total Expenditure	100%	1 230 100 471
Percentage Increase/(Decrease)		(-8%)
Contributions by material expenditure elements		952 513 877
%Contributions by material expenditure elements		77%

The chart below further illustrates contribution of the major expenditure elements to total expenditure of the municipality:

Table 69: Major Expenditure Elements



The focus is on the major expense elements, i.e. employee costs, bulk purchases, General Expenses and depreciation, amortization. These expenditure items account for R952 513 877 of total expenditure of the municipality's R1 230 100 471, representing a 77% contribution to total expenses. The municipality needs to be applauded because the contribution of employee related costs is 20% of total expenditure compared to other municipalities' country wide. This percentage is significantly lower than the prescribed threshold of 33% determined by the National Treasury. Conversely it needs to be mentioned that critical vacant positions need to be filled in order to ensure adequate service delivery. The lower employee contribution has an adverse impact in service delivery as well support function to service delivery (i.e. Treasury and Budget Office in particular) and this aspect is discussed under organisational environment. The following table depicts movements of major expenditure drivers:

Table 70: Major Expenditure Drivers

Item	2012 (R)	2011 (R)	2010 (R)	2009 (R)
Employee related Costs	230 600 985	189 471 534	165 846 425	130 614 345
Depreciation	219 845 295	222 122 758	224 589 958	214 834 172
Bad Debts	0	174 136 888	69 147 301	104 227 317
Bulk Purchases	349 411 144	283 223 432	219 348 022	166 031 719
General Expenses	152 656 453	332 324 243	61 436 986	205 021 701
Total Expenditure	952 513 877	1 091 191 721	820 064 375	866 629 668

During the same period our analysis of General Expenses revealed an erratic pattern as it showed 68% decrease from 2009 to 2010, 68% decrease from 2009 to 2010, 441% increase from 2010 to 2011 and 43% decrease from 2011 to 2012. It should be mentioned however, that the 43% decrease in the current year was due capitalisation of UThukela Water agency fees amounting to R114 million to Investment in Associate.

Our analysis indicates that this could be as a result of grants from both National Treasury and Provincial Government which has increased over the years sharply in recent year. The grants that the municipality have are:

- ☛ Municipal Infrastructure Grant;
- ☛ Neighbourhood Development Grant;
- ☛ Financial Management Grant;
- ☛ Systems Development and Support Grant; and
- ☛ Other Grants.

Like the revenue assessment, it appears that there could be allocation challenges pertaining general expenses in 2010 as it showed erratic pattern when compared with the other year being analysed.

Despite the fact that we did not account for bad debts impairment due risk profiling exercise, the outstanding Debt of R824, 5 million remain a challenge. This scenario is disconcerting as it may have a negative impact on our liquidity position if not addressed as a matter of extreme urgency. The take is that there is a need to embark on a solution that will yield a serious debt collection drive to curb to this situation from deteriorating further. Water, sewer, waste disposal and rates in east (former townships) are a critical factor to the strategy to reduce bad debts. It is known by the leadership of the municipality that disconnection cannot be used as a tool at this stage as electricity which can be disconnected is supplied by Eskom. The East has 75% bad debts. The implementation of water flow regulators was once discussed as one of the strategies but was not pursued until the constitutionality of such was confirmed. The avenue that should be considered is getting a licence to be the distributor of electricity in the East.

We have developed 10 point Debt Management Plan to assist the municipality in curbing and collecting outstanding debtors. The plan encapsulates the following important aspects:

- ☛ Appointment of field workers;

- ☞ Clarify roles and responsibilities of field workers;
- ☞ Friendly legal process;
- ☞ Outstanding accounts with no queries to be forwarded to the respective consumers for making necessary payment arrangements;
- ☞ Investigate the possible use of call centre for debt collection purpose;
- ☞ Progress reports on government debtors;
- ☞ Progress reports on staff and councillors debt;
- ☞ Identify section 21 schools and address collections;
- ☞ Identify additional staff requirements for debt management holistically and communicate with COO;
- ☞ Options in respect of Debt Management service;
- ☞ Investigate use of the service provider for meter reading compared to performing in-house;
- ☞ Fast track installation of water meters;
- ☞ Monitor accuracy of readings;
- ☞ Investigate the use of meter readers to also deliver accounts;
- ☞ Develop internal control for quality assurance on the delivery of accounts;
- ☞ Investigate E-account option for delivery of accounts;
- ☞ Install water restrictors;
- ☞ Indigent verification;
- ☞ Phased approach for data cleansing;
- ☞ Capacitate staff and field workers;
- ☞ Develop marketing and communication strategy;
- ☞ Incentive scheme – staggered approach to promote culture of payment;

The implementation of the plan is in its early stage and it is hoped that it will yield result once fully implemented.

Furthermore, it needs to be mentioned that R104 Million relating to Water Services (UTW) is actually an investment by Newcastle Municipality to UThukela Water and as such was capitalized during consolidation process in 2010/2011 financial year.

The table below further illustrates increases in the major expenditure items:

Table 71: Major Expenditure Items

Item	% Increase/(Decrease)		
	2010	2011	2012
Employee related Costs	27%	14%	22%
Depreciation, amortization and impairment	5%	-1%	-2%
Bulk Purchases	32%	29%	23%
General Expenses	-68%	441%	-43%

3.8.5. NET OPERATIONAL PERFORMANCE.

Evidently the Surpluses of the Municipality have demonstrated erratic pattern as we recorded a deficit amount to R86 million in 2009, R372 million surplus in 2010, R145 million deficit in 2011 and R189 million surplus in 2012. As we alluded to earlier we still need to perform in-depth analysis of General expenses. The extent of sustainability of revenue and the ability to increase the revenue base is, at this stage under scrutiny, thus increasing the risk of affordability of the operational expenses moving forward. An urgent understanding of these expenses and how they can best be managed is necessary to ensure that the municipality remains a financially viable.

However, our assessment reveal that the situation is not as dire as it appear, also taking into account the fact that an amount of R219 Million relates to depreciation of assets, which in its very nature a book entry to achieve fair presentation in our financial statements, but not the amount actually spent. The table below depicts our financial performance for the past four (4) years:

Table 72: Financial Performance for the Last Four Years

Year	Total Revenue	Total Expenditure	Surplus/ (Deficit)	% Increase/(Decrease)
2012	1 420 050 630	1 230 435 257	189 615 373	239%
2011	1 182 506 661	1 327 668 613	-145 161 952.00	(-139%)
2010	1 289 670 253	917 490 355	372 179 898.00	532%
2009	851 014 835	937 184 278	-86 169 443.00	

It is evident from the table above that the municipality's current operational performance is healthy, save for general expenses that need further scrutiny.

3.8.6. SURPLUS.

In order to elucidate the above-mentioned statement further, it is critical to note that although we achieved an operating surplus of R189 million, it is always prudent to eliminate non-cash items recorded in the Statement of Financial Performance in order to gauge our operational performance. The table below demonstrate that if the municipality eliminates non-cash items, surplus is in fact R378, 9 million.

Table 73: Surplus

Line Item	2012
Surplus	189 615 373
Less: Doubtfull Debt Provision Adjustment	-137 038 490
Less: Landfill Site Provision Adjustment	-50 765 425
Plus: Share of deficit of Associate	112 405 248
Plus: Fair Value Adjustments	44 861 862
Plus: Depreciation and Amortisation Expense	219 845 295
Surplus	378 923 863

Although this scenario look good at face value, caution need to be exercised as revenue earned did not translate to actual cash at the bank, which is why it imperative to intensify our debt collection.

3.8.7. INDIGENT SUPPORT AS OF 31 AUGUST 2011.

In terms of the Credit Control, Debt Collection and Customer Care Policy, the monthly household earnings of an indigent application is capped at R1,900 but be limited to R3,000 for old aged pensioners and poor households. The onus lies with the applicant to come forward and register for indigent support in line with the Council approved indigent policy. At 31 June 2010 there were 22 739 indigents registered for indigent support and 4176 for electricity, which is an on-going process. The Free Basic Services is funded through the equitable share which is received from National Government. These FBS figures are alarming and it is becoming scary and a concern for the municipality to attend to skills development programs in order to curb low income per household. However, all account holders who qualify for indigent support are encouraged to register accordingly.

22 000 people applied to be registered on the indigent list for the municipality in 2010 and, as of July 2014 the figure had dropped drastically to 18 415, marking a 16.3% decrease. However, based on figures from the 'Summary of Registered Indigent Account Holders' (July 2014 – June 2015), as of January 2015, there has been a slight increase in the list to 18 973,

marking an increase by 13.3%. The wards with the highest concentration of indigents are represented on the table below:-

WARD	NO. OF INDIGENTS
WARD 20	1 501
WARD 14	1 286
WARD 9	1 270
WARD 10	1 239
WARD 17	1 119
WARD 11	1 047
WARD 24	1 023

3.8.8. SWOT ANALYSIS.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Implementation of the MPRA. • Supply chain management systems. • Integrated Financial Management System. • Surplus. • Indigent support. 	<ul style="list-style-type: none"> • Non-payment for services, particularly in the MBO. • Increase in expenditure in relation to revenue generated. • Debt collection. • Increase in list for indigent support and Free Basic Services. • Limited access to funding in relation to need.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Support from Treasury and COGTA. • New municipal property rates system. 	<ul style="list-style-type: none"> • Corruption. • Poor implementation of the supply chain and financial management policies.

3.9. DEVELOPMENT TRENDS AND PATTERNS.

3.9.1. REGIONAL ROLE AND SIGNIFICANCE OF NEWCASTLE.

The identification of Newcastle as an important secondary investment node with potential for industry, agriculture and tourism, indicates its importance on a regional and provincial scale. Newcastle is strategically located halfway between Johannesburg and the harbours of Durban and Richards Bay, and is well connected to these centres by means of both rail and

road infrastructure. The N11, P612 and the P483 are some of the roads running through the NLM serving a national, provincial and regional function.

The town serves as an administrative and economic hub for the north-western part of KwaZulu-Natal. This includes the whole of Amajuba District and some of the surrounding areas in Mpumalanga Province and Umzinyathi District. This raises a key question whether the town is developed with sufficient infrastructure and has enough capacity to play its role as a sub-regional economic hub. Some of the critical infrastructure includes tertiary education and health facilities, regional government offices and sports facilities. Equally important is the ability to create employment opportunities and absorb the urbanising labour force. Therefore, planning for the future development of the NLM should go beyond a narrow focus on local issues and incorporate regional social and economic issues.

3.9.2. URBANISATION – SUSTAINABLE HUMAN SETTLEMENTS.

Urbanisation is the process in which the number of people living in cities increases compared with the number of people living in rural areas. An area is considered to be urbanised when over 50% of its population lives in urban places. Rate of urbanisation in Newcastle has been very rapid, resulting in the development of settlements along P483 in particular as linear settlements from KwaMathukuza through JBC to Khathide in the north.

Rapid urbanisation brings with it many problems as it places huge demands on land, water, housing, transport and employment. In Newcastle like many other South African Towns, apartheid has made the problems of urbanisation more complex. Urbanisation of black people was made difficult by forcing them to live in areas far from the town. With the lifting of racial restrictions on where people may live and work, many unemployed people have migrated to urban centres such as Newcastle in search of work, bringing their families with them. The shortage of accommodation in town has forced them to live in informal settlements hence the informal settlements that are spread throughout the area with huge concentrations in the eastern areas. Land under the control of Ubuhleбомzinyathi Community Authority has also been specifically targeted as these areas present opportunities for a rural lifestyle in an urban context.

This presents the municipality with a challenge to devise strategies to manage the urbanisation phenomenon, and ability to undertake pro-active planning in anticipation of population growth. All housing projects undertaken to-date have been reactive.

3.9.3. ROADS AND STORMWATER.

Local government has a constitutional duty to provide basic services and Newcastle Municipality is no exception. In conjunction with both national and provincial plans, Newcastle Municipality is required to build infrastructure in order to grow the capacity of the economy, boost various sectors of the economy with a specific emphasis for faster growth and address the inequality that marginalize the poor in the second economy. In terms of road infrastructure, over 80% of all roads in Newcastle are in a poor state, of which 704km are unpaved with 254km surfaced roads. The gravel roads constitute 404km of roads. In an attempt to address this, the municipality has intensified their roads programs over the past 5 years, which addresses primary and secondary roads. Newcastle Municipality has a huge legacy in addressing the basic needs. The challenge is also due to spatial inefficiency in ensuring that rural communities also enjoy the same benefits as those enjoyed by urban communities. In this regard, roads and transport plays a critical role in facilitating the movement of goods and services and rural areas to urban centres. The accommodation of storm-water has a tremendous influence on the life of a road. This requires the municipality also to focus on storm-water management in order to increase the life span of the roads. While the municipality focuses on upgrading new roads, they also need to do maintenance on the existing roads in order to keep the municipal area an accident free.

3.9.4. INEFFICIENT SPATIAL STRUCTURE.

While the regional economic development forces remain one of the main structuring elements within the NLM, the past apartheid policies have had a profound impact on the structure and functionality of the area. It fragmented communities, marginalised their economic activities and undermined their participation in the economy. It located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development.

The NLM could broadly be described as an apartheid region in the sense that it embodies most if not all the attributes of apartheid spatial patterns. These include the following:

- ☛ Low density sprawl which is fuelled in the Newcastle West by anti-city values of suburbia which promotes large plots as an image of good urban living. Factors that contribute to urban sprawl includes continued existence of low density residential suburbs designed in terms of garden city concepts, and entrenched into the Town Planning Scheme through inflexible density controls and scheme clauses such as

coverage, minimum site sizes and permissible uses, and easy access to land for settlement in the east.

- ☛ Cellular development pattern that occurs in relatively discrete pockets based on the introverted concept of neighbourhood unit or super block. This has given rise to a coarse grain urban environment characterized by single dwelling units and building ancillary thereto on large plots of land (garden city concept). As such there is a high impact on available land in relation to population size, and travel within the city is costly in terms of time. This gives rise to inefficiency in the use of energy, transportation and movement, and delivery of services.
- ☛ Separation of land uses, urban elements, races and income groups. The dominant land use pattern resembles a series of relatively homogenous blobs of different uses tied together by high speed transport routes. The separation of places of work and residence was deeply entrenched in the philosophy of urban management. A large number of the poor are living on the urban periphery further away from the opportunities.
- ☛ Despite businesses being attracted to decentralised locations, the central area has shown some resilience in that new businesses have moved in to occupy space vacated by those who have moved to decentralised locations. However, decay/decline is evident in some sections of the central area.
- ☛ The combined consequences of these spatial patterns have been phenomenal leaving the area with entrenched inequality and functional inefficiency. It created islands of spatial affluence in a sea of geographical misery (CSIR, July 2002:4). It created a distorted, fragmented, incoherent and inefficient settlement pattern. It also gave rise to spatial, social and economic exclusion of certain race groups to the benefit of other, and created a poorly functioning land and housing market.

3.9.5. ECONOMIC STAGNATION.

Over the last few decades, the economy of the Newcastle Municipality area of jurisdiction experienced variable trends marked, in all, by shift from one sector to the other and general decline in both output and performance. Although some mining activities are still evident in the area, it is no longer appropriate to regard Newcastle as a coal mining town. The same applies to agriculture. Both sectors have shed a number of jobs and their contribution to the local economy is at the lowest point ever. Manufacturing remains the main economic activity in the NLM, but is itself facing a number of structural challenges which if not addressed at this juncture will relegate this sector into insignificance. These challenges include the dominance

of the clothing and textile sub-sector which implies the lack of economic diversity, poor labour conditions in some of the factories and lack of new investment.

In the light of this, there is an urgent need to redefine the role of Newcastle in the provincial and national economy. This may include the identification of new sectors, diversification of some existing factors and strengthening functional integration between Newcastle Town and the surrounding rural hinterland. Tourism development is also one of the key sectors that need to be explored.

3.9.6. POOR ACCESS TO SOCIAL FACILITIES.

Huge backlogs in the delivery of public services have been identified as one of the key issues facing Newcastle Municipality. It manifests itself in the following forms:

- ☛ Poor condition of schools, which does not contribute to building a culture of learning and teaching.
- ☛ Poor access to institutions for early childhood education. This field has been identified by the national government as a priority area of intervention.
- ☛ Poor access to health services which affects delivery of primary health care. The latter is a strategy used by the national government to deliver health services.
- ☛ Poor access to library services which also affects the development of a culture of learning and teaching.
- ☛ Poor access to welfare services including pension pay points, magistrate services, etc.
- ☛ Poor access to cemeteries.

Attention should be given to lack of sport fields, parks and swimming pools in the MBO area in order to revive the sport in Newcastle considering that the municipality has a history of producing world stars on soccer.

3.9.7. INFRASTRUCTURE BACKLOG.

Access to basic services is one of the main elements of socio-economic wellbeing of an area. The status of the physical and economic development level of a community such as that of Newcastle is often measured based on the provision and quality of infrastructure for technical services, i.e. access to roads, electricity, water and sanitation. These are found to be a huge challenge for Newcastle Municipality whereas the town suffers from maintaining of existing services while rural areas have no basic services at all. In addition, the Newcastle Local Municipality is challenged with the maintenance and development of basic road and

storm water infrastructure to serve the local community, particularly in the Newcastle East. This will be severely constrained by limited financial resources. Public transport plays an important role in the economy of Newcastle and deserves some attention in the planning efforts of the municipality.

3.9.8. POOR QUALITY OF THE ENVIRONMENT.

The quality of the environment within the NLM requires an urgent attention. This is symbolized mainly by the following:

- ☛ Deteriorating quality of water due to mining activities, pit latrines, use of pesticides and fertilizers, and other water contaminating activities.
- ☛ Poor air quality due to emissions. Equipment for air quality monitoring is in place but has not been maintained. Closer collaboration with local industries needs to be developed in this regard.
- ☛ Urbanization which results in the establishment of settlements in areas that is unsuitable for human habitation. These include flood lines, wetlands, etc.
- ☛ Waste collection and disposal. The municipality needs to work together with local communities, particularly in the townships to develop community based programs for keeping the area clean.
- ☛ General lack of active open space in the NLM, particularly the township areas.
- ☛ Dirt roads which also contribute to a sterile environment.

3.9.9. FINANCIAL MANAGEMENT AND ACCOUNTING.

The general lack of requisite knowledge by the finance team on GRAP/GAMAP requirements culminates in:-

- ☛ An inability to account for financial accounts in line with GRAP/GAMAP accounting standards;
- ☛ Reliance on consultants in preparing financial statements in line with GRAP/GAMAP requirements by municipalities already converted from IMFO to GRAP/GAMAP;
- ☛ Lack of preparedness by those municipalities still to convert to GRAP/GAMAP requirements; and
- ☛ Financial systems not geared towards GRAP/GAMAP requirements.

In addition, the financial diagnostic report identifies the following challenges in financial administration, management and reporting within municipality:

- ☛ Lack of systems of internal controls to manage assets evidenced by asset registers not updated when acquisitions, impairments or disposals are made. Reconciliations' of the asset register to the general ledger not performed. Further, the existence of assets cannot be ascertained due to a lack of ongoing process to verify them.
- ☛ Inadequate revenue collection systems within municipalities evidenced by low recovery of amounts owed for municipal services from consumer debtors, Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts, Lack of advice to the council on revenue enhancement mechanisms.
- ☛ Lack of month end discipline resulting in month end closure not performed, critical month end reconciliations not performed, inability to identify completeness of recording of transactions, and inability to report meaningfully to the municipal structures on financial performance;
- ☛ Poor record management resulting in difficulties in tracing financial records supporting the financial affairs of the municipality;
- ☛ Lack of processes to identify and manage unauthorised, irregular and wasteful expenditure;
- ☛ Issues raised by the Office of the Auditor General not followed up and cleared on time.

3.9.10. HIGH RATE OF POVERTY.

Poverty manifests itself in different dimensions with income poverty and human poverty being the most common. Income poverty refers to the lack of sufficient income to satisfy basic food needs and essential non-food needs such as clothing, energy and shelter. It arises from a high rate of unemployment, poor access to productive resources, lack of marketable skills and general lack of job opportunities.

Human poverty broadly refers to the lack of basic human capabilities and it arises from high representation of the members who cannot read, write and numerate food insecurity, malnutrition, declining life expectancy, increase of sickness and deaths related to preventable diseases and poor access to basic services. Overcrowding also contributes to this situation.

3.9.11. IMPACT OF HIV AND AIDS.

Accurate statistical information about the prevalence of HIV and AIDS in the NLM could not be obtained. However, AIDS has generally been identified as one of the key factors that will influence development over the next few decades. HIV and AIDS will lead to a range of social and economic problems including the following:

- ☛ Increase in the dependency ratio as the number of the economically active who dies of AIDS increase.
- ☛ Increase in the number of orphans, which in turn may put strain on the limited welfare budget.
- ☛ Decline of population with 20 and below years of age.
- ☛ Increase in the number of households with members who need special care and treatment thus putting burden on their families, particularly women who are often the ones who look after the sick in addition to their daily activities
- ☛ Slowing of population growth.
- ☛ Lack of income in cases where breadwinners die of AIDS.
- ☛ Low productivity rate.

3.9.12. DEBT MANAGEMENT.

Newcastle Municipality has a total debt roll amounting to R 748 934 335. The majority of this is more than 180 days old. Individual households account for R647 851 436 of this amount while government departments owing about R23 174 411. This situation arises from a number of factors including the following:-

- ☛ Lack of control over excessive water leaks is the main and major contributing factor for low payment factor – where does a person start paying an account when it amounts to thousands of rands.
- ☛ Indigent using excess water – about 14100 indigent accounts have arrears of R 178 million leaving only about 7000 accounts having balances of less than R 500.
- ☛ Electricity meter audit not yet finalized – awaiting technical section report
- ☛ Lack of community and or buy in from communities
- ☛ No policies regarding water leaks other than that account is to be paid
- ☛ Need an improved customer care facility, i.e. call centre, with a proper query recording system.

However, the politicians are showing the political will to resolve this predicament by resolving that a Task Team needs to be established with a clear plan to improve the payment factor.

3.9.13. LACK OF FINANCIAL DISCIPLINE.

Lack of systems of internal controls to manage assets evidenced by:-

- ☛ Asset registers not updated when acquisitions, impairments or disposals are made;
- ☛ Reconciliations of the asset register to the general ledger not performed;
- ☛ Regular verifications of assets to ascertain existence and condition not in place.

A lack of these processes contribute to delays in the submission of financial statements due to difficulties encountered in reconciling general ledger / trial balance to corresponding supporting schedules. Further, the existence of assets cannot be ascertained due to a lack of ongoing process to verify them.

Inadequate revenue collection systems within municipalities evidenced by:

- ☛ Low recovery of amounts owed for municipal services from consumer debtors;
- ☛ Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts,
- ☛ Lack of advice to the council on revenue enhancement mechanisms.
- ☛ Extraordinarily large provisions for doubtful debts being posted on the Annual Financial Statements.
- ☛ Lack of month end discipline resulting in month end closure not performed, critical month end reconciliations not performed, inability to identify completeness of recording of transactions, and inability to report meaningfully to the municipal structures on financial performance;
- ☛ Poor record management resulting in difficulties in tracing financial records supporting the financial affairs of the municipality;
- ☛ Lack of processes to identify and manage unauthorised, irregular and wasteful expenditure;
- ☛ Issues raised by the Office of the Auditor General not followed up and cleared on time.
- ☛
- ☛
- ☛

3.9.14. SKILLS.

Section 83 of the MFMA prescribes that the accounting officer, senior managers, the Chief Financial Officer and other financial officials of a municipality must meet the prescribed financial management competency levels. The following skills are critical for finance staff:

- ☛ Knowledge of generally recognised accounting practise at transaction level (i.e. inability to account for financial accounts correctly through basic principle of debit and credit),
- ☛ Understanding of the importance of month end closure,
- ☛ Understanding of reconciliations and their purpose,
- ☛ Adequate supervision of staff activities,
- ☛ Ability to present meaningful monthly management reports and provide sound advice to the council,
- ☛ Ability to prepare annual financial statements in accordance with applicable generally recognised accounting standards.

3.10. KEY ISSUES BY KPAS.

KEY PERFORMANCE AREAS	KEY ISSUES
Spatial Rational	<ul style="list-style-type: none"> • The role of Newcastle as a regional hub in the northern part of KZN. • Spatial fragmentation between Newcastle East and Newcastle West. • Low density largely informal urban sprawl particularly in Newcastle East. • Increase in the isolated and dislocated settlements such as Ingogo. • Lack of housing opportunities for the poor in and around the CBD. • Settlements occurring in environmentally sensitive areas. • Implementation of a wall-to-wall scheme.
Municipal Transformation and Organisational Development	<ul style="list-style-type: none"> • Appointment of females and the disabled in senior management positions. • Implementation of Municipal Turn Around Strategy. • Developing systems for effective information management and institutional memory. • Ongoing staff training and capacity building. • Ability to attract and retain qualified and experienced staff in technical and financial management functions.
Service Delivery and Infrastructure Analysis	<ul style="list-style-type: none"> • Aging infrastructure in Newcastle West. • Service backlogs in JBC and surrounding rural settlements. • Lack of spare capacity in the water treatment works. • Storm water management. • Dirt roads in the MBO. • Poorly located landfill site. • Informal settlements. • Lack of social housing opportunities.
Local Economic and Social Development	<ul style="list-style-type: none"> • Lack of investment. • Lack of structured support for the SMMEs. • Decline in the agricultural sector. • Decentralisation of shopping facilities and increase in the number of shopping centres. • Opportunities in the coal mining sector.

KEY PERFORMANCE AREAS	KEY ISSUES
Municipal Financial Viability and Management	<ul style="list-style-type: none"> • Debt collection. • Revenue generation. • Implementation of the MPRA. • Financial management.
Good Governance and Public Participation	<ul style="list-style-type: none"> • Legislative compliance.

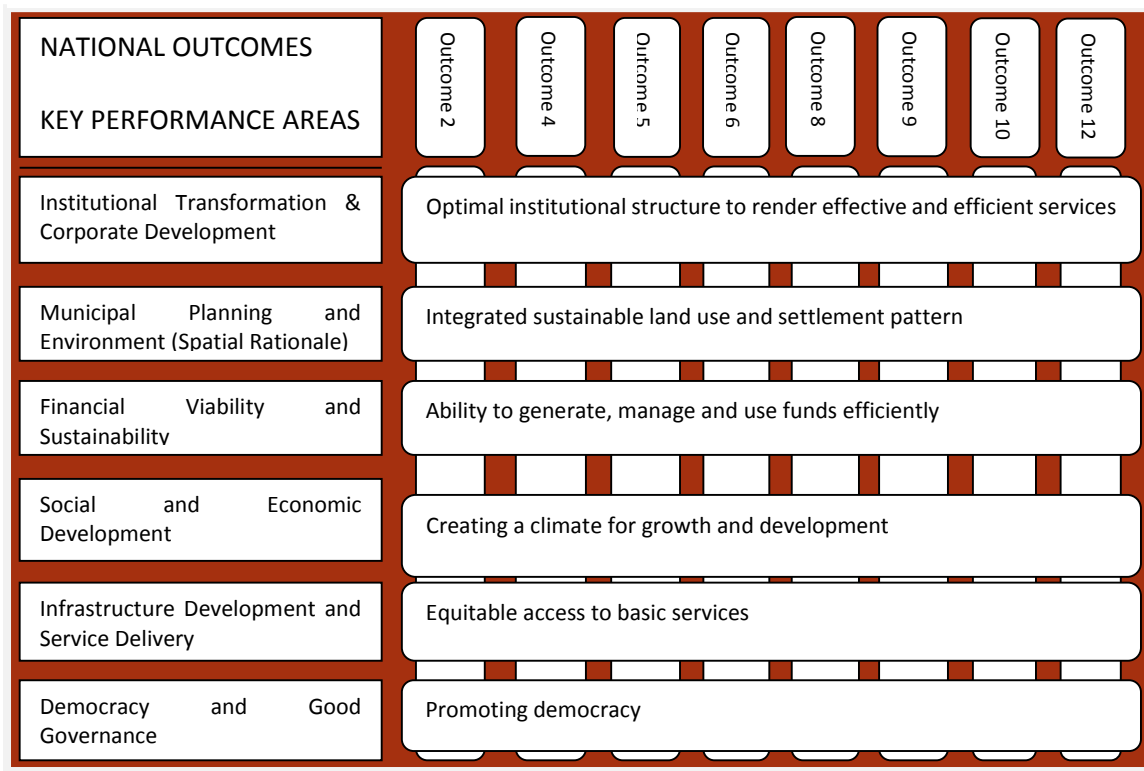
SECTION 4: VISION, GOALS, OBJECTIVES AND STRATEGIES

4. DEVELOPMENT STRATEGY.

The development strategy of the NLM is designed to fit-in and give effect to the intention of both the national and provincial development strategies. This includes, within the national development plan, Vision 2030 and various government programs. NLM IDP also fits within the provincial development framework as set out in the PGDS. The NLM strategy covers the following:

- ☛ Strategic fit (alignment with national and provincial development strategies).
- ☛ NLM long-term strategic direction and organizational culture.
- ☛ NLM short to medium term strategies and action plans.
- ☛ In addition, the IDP also considers the emerging national and provincial long term strategic plans as encapsulated in the Draft National Development Plan and the Draft Provincial Growth and Development Strategy. Given its strategic location in the northern part of KwaZulu-Natal, Newcastle Municipality will make a significant contribution towards the implementation and attainment of the strategic objectives of each of these strategic plans. Again, it is critically important to ensure that the IDP

Figure 33: Strategy Map

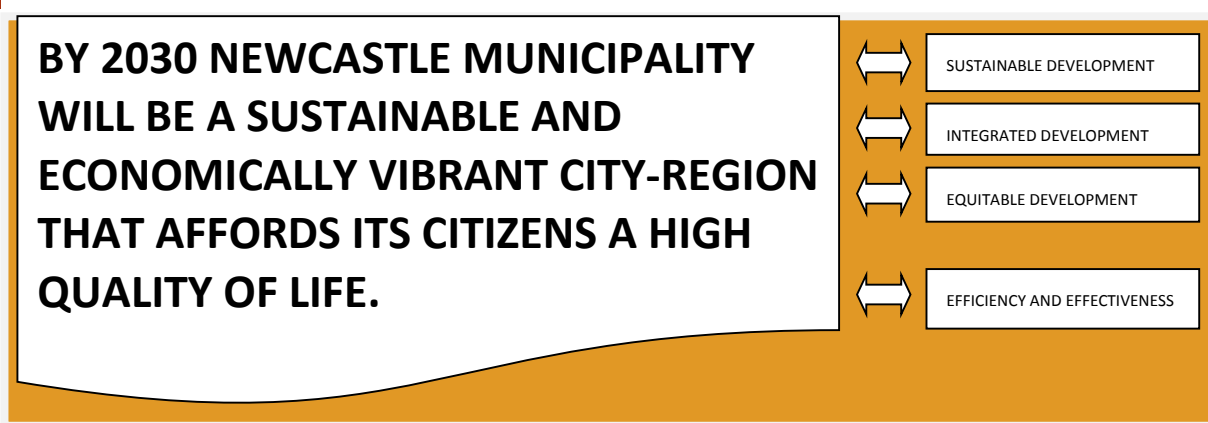


The strategic approach is meant to highlight the impact that the municipality seeks to create in the short to long term period. As indicated on Figure 29 above, in addition to outcome 9, the NLM will contribute to the attainment of outcomes 2, 4, 5, 6, 8, 9, 10 and 12 with the 5 KPAs as the strategic areas for intervention. As such, the development strategy for the NLM is designed to address issues that are specific to the NLM while also contributing to the attainment of the national priorities.

4.1. VISION, MISSION AND CORE VALUES.

The following vision and mission statements for Newcastle Municipality were formulated at a strategic planning session with active participation of both the political and administrative components of the municipality. The vision commits the municipality to sustainable, integrated, equitable and effective development.

4.1.1. NEWCASTLE MUNICIPALITY DEVELOPMENT VISION.



4.1.2. MISSION STATEMENT.

Newcastle Municipality commits itself to the following Mission Statement:

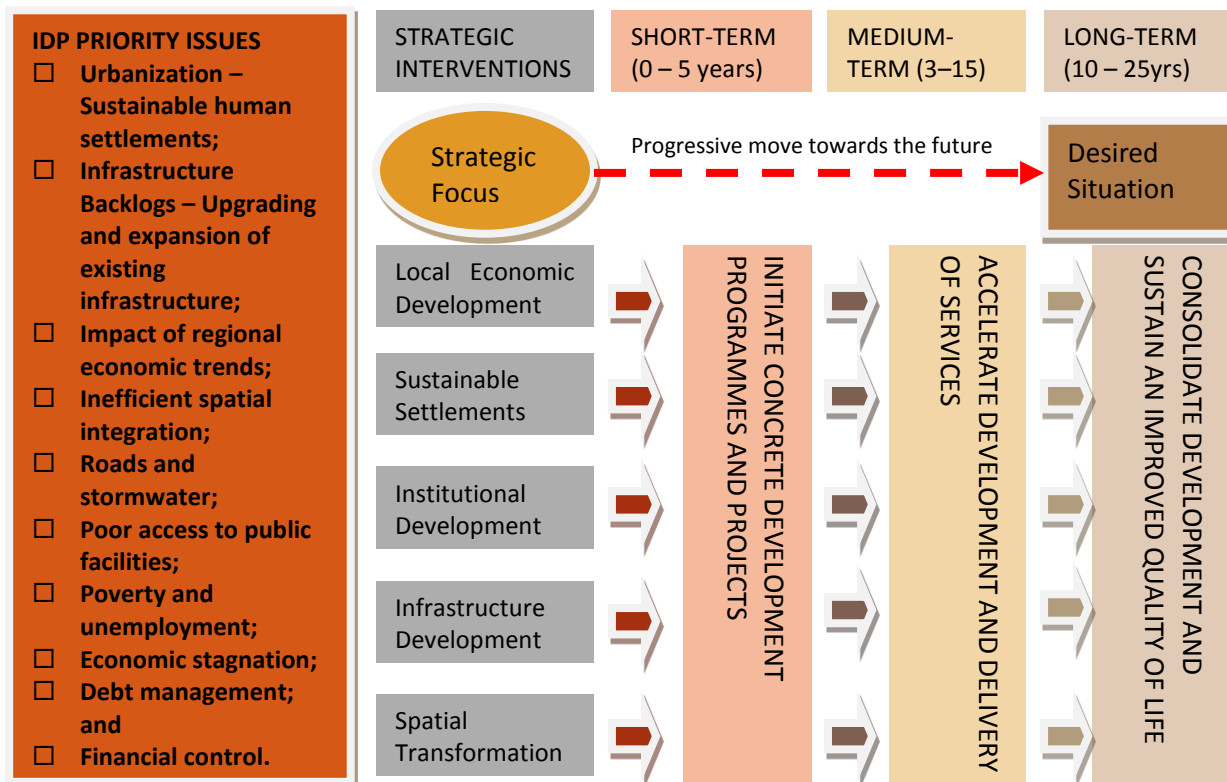
- **Render sustainable services.**
- **Creating an environment conducive for economic growth.**
- **To become the Regional Centre for Investment attraction for Northern KZN.**
- **Improve service delivery.**
- **Offer good governance and public participation.**
- **Best ITC municipality in the local government sphere.**

The mission statement acknowledges the objects of local government as outlined in various local government legislation and given effect through the IDP and the associated sector plans. It also seeks to align the municipal strategic activities, structure and resource allocation with

the powers and functions as prescribed in the Constitution.

4.1.3. LONG-TERM GOALS.

Figure 34: Long-term Goals



The NLM development strategy is based on a long-term vision, but acknowledges the significance of issues that need to be addressed in the short to medium term. As such, the municipality has formulated development goals that seek to address the challenges facing the institution currently and reposition the area in a development path as follows:

- ☞ To develop Newcastle as a service and industrial hub.
- ☞ To eradicate all forms of poverty and destitution/indigence.
- ☞ To be an example of service and governance excellence.
- ☞ To improve the quality of life.
- ☞ To achieve environmental sustainability.
- ☞ To promote gender equality and empowerment.

4.2. IDP STRATEGIC OBJECTIVES.

4.2.1. INSTITUTIONAL TRANSFORMATION AND CORPORATE DEVELOPMENT.

INSTITUTIONAL TRANSFORMATION AND CORPORATE DEVELOPMENT.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
Output 6: Administrative and financial capability.	IT1	To ensure the optimal institutional structure to render effective and efficient services aligned to the IDP.	IT1.1	To provide efficient and effective general administrative support services.	IT1.1.1	Average turnaround time for the filling of a vacancy.	14days	SED: Corporate Services
			IT1.2	Implementation and review of the organogram with adequate capacity.	IT1.2.1	% of employees assisted/consulted as requested.	100%	SED: Corporate Services
					IT1.2.2	% completion of placement process as per the revised Organizational Structure	100%	Municipal Manager
					IT1.2.3	Number of departments which completed job descriptions.	7	SED: Corporate Services
					IT1.2.4	% of critical posts filled as identified and approved by Municipal Manager (as budgeted).	100%	SED: Corporate Services
					IT1.2.5	Number of posts filled as budgeted.	1 678	SED: Corporate Services
					IT1.2.6	% of Municipal budget actually spent on implementing its workplace skills plan.	(7 878 640) 100%	SED: Corporate Services
					IT1.2.7	Compliance with submission of Employment Equity Report by 01 October.	Submission of Employment Equity Report by 01 October	SED: Corporate Services
					IT1.2.8	Number of people from employment equity target groups employed in the	23	SED: Corporate Services

INSTITUTIONAL TRANSFORMATION AND CORPORATE DEVELOPMENT.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
						three highest levels of management.		
			IT1.3	To develop, plan and participate in knowledge sharing with other municipalities.	IT1.3.1	Number of knowledge sharing meeting arranged.	6	All SED's
Output 6: Administrative and financial capability.	IT2	To ensure productive and competent human capital.	IT2.1	To facilitate human resource development.	IT2.1.1	Successful submission of the WSP to LGSETA by 30 April.	Submit WSP to LGSETA 30 April 2016	SED: Corporate Services
					IT2.1.2	Number of departmental team-building sessions held.	1	SED: Corporate Services
					IT2.1.3	Number of interventions arranged for Workplace Skills Development.	460	SED: Corporate Services
					IT2.1.4	Number of policies reviewed and developed.	2	SED: Corporate Services
Output 6: Administrative and financial capability.	IT3	To ensure effective and efficient administrative support services.	IT3.1	To provide efficient and effective IT support services and systems.	IT3.1.1	Number of ICT Steering Committee meetings.	4	Municipal Manager
					IT3.1.2	Percentage of the ICT Strategic Plan Implemented.	33,3%	Municipal Manager
					IT3.1.3	% of uptime maintained.	96%	Municipal Manager
					IT3.1.4	Number of Disaster Recovery Tests conducted	2	Municipal Manager
					IT3.1.5	Number of ICT Security Audits.	4	Municipal Manager
					IT3.1.6	Number of ICT policies reviewed.	4	Municipal Manager

4.2.2. GOVERNANCE AND PUBLIC PARTICIPATION.

GOVERNANCE AND PUBLIC PARTICIPATION.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
Output 6: Administrative and financial capability.	GP4	To ensure good governance through openness, transparency and accountability in the organization.	GP4.1	To strengthen executive support to services.	GP4.1.1	% of operational issues addressed as referred by Municipal Manager (grievances).	100%	Municipal Manager
					GP4.1.2	Compliance with record keeping checklist.	100%	Municipal Manager
					GP4.1.3	Number of Manco meetings convened.	12	Municipal Manager
					GP4.1.4	Annual review of Delegations System by 30 June 2016.	Annual review of Delegations Systems by 30 June 2016.	Municipal Manager
					GP4.1.5	Number of Batho Pele campaigns facilitated.	2	Municipal Manager
					GP4.1.6	Reviewed and Adopted IDP by 31 May 2016.	Adoption of IDP by 31 May 2016 for implementation on the next financial year.	Municipal Manager
Output 1: Implement a differentiated approach to municipal	GP5	To keep the communities and stakeholders informed and involved	GP5.1	To improve both internal and external communication.	GP5.1.1	Annual review of Public Participation Policy by 30 June 2016.	Annual review of Public Participation Policy by 30 June 2016.	Municipal Manager
					GP5.1.2	Number of training interventions for Ward Committees (March 2016).	1	Municipal Manager
					GP5.1.3	Annual Mayoral IDP/Budget/PMS Roadshows.	1	Municipal Manager
					GP5.1.4	Number of External Newsletters Published and distributed.	4	Municipal Manager
					GP5.1.5	% of issues addressed as raised by the public.	100%	Municipal Manager

GOVERNANCE AND PUBLIC PARTICIPATION.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
planning and support.		in the affairs of the municipality.			GP5.1.6	% of media/communication queries addressed by the Communication Unit.	100%	Municipal Manager
			GP5.2	To develop the communication policy.	GP5.2.1	Approved Communication Policy/Strategy by June 2016.	Approved Communication Policy/Strategy by June 2016	Municipal Manager
					GP5.2.2	Draft Citizens Charter.	Implementation and monitoring of Citizens Charter	Municipal Manager
Output 6: Administrative and financial capability.	GP6	To ensure good governance through openness, transparency and accountability in the organization.	GP6.1	To develop and implement an effective Performance Management System.	GP6.1.1	Annual review of PMS Policy by 31 May 2013.	Annual review of PMS Policy by 31 May 2016.	Municipal Manager
					GP6.1.2	Quarterly performance reports submitted to Internal Audit within 25 days of end of quarter.	4	Municipal Manager
					GP6.1.3	% of section 54/57 Managers formally evaluated by no later than June 2016.	100%	Municipal Manager
					GP6.1.4	Annual Performance Report submitted to the Auditor General by 31 August 2015.	Annual Performance Report submitted to the Auditor General by 31 August 2015.	Municipal Manager
					GP6.1.5	Approval of Oversight Report and adoption of Annual Report by 31 March 2016.	Approval of Oversight Report and adoption of Annual Report by 31 March 2016.	Municipal Manager
		To ensure good governance through			GP7.1.1	Reviewed Risk Management Policy and Strategy, as well as Fraud and Corruption Policy and Strategy.	Reviewed Risk Management Policy and Strategy, as well as Fraud and Corruption Policy and Strategy by 30 June 2016.	Municipal Manager
					GP7.1.2	Quarterly reports on implementation of risk management action plan.	4	Municipal Manager

GOVERNANCE AND PUBLIC PARTICIPATION.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
Output 6: Administrative and financial capability.	GP7	openness, transparency and accountability in the organization.	GP7.1	To maintain and implement an effective Risk Management System.	GP7.1.3	Number of anti-fraud and corruption workshops facilitated.	1	Municipal Manager
					GP7.1.4	Finalised risk assessment and compilation of risk register by 31 May 2016.	Finalised risk assessment and compilation of risk register by 31 May 2016.	Municipal Manager
					GP7.1.5	Quarterly reports on implementation of AG ACTION PLAN to Audit Committee.	4	Municipal Manager
					GP7.1.6	Quarterly reports on compliance with legislation to Audit Committee.	4	Municipal Manager
Output 6: Administrative and financial capability.	GP8	To ensure an effective internal audit function.	GP8.1	To provide Independent Objective Assurance and Consulting Services that add value and improve operations of the municipality.	GP8.1.1	Annual review of audit charters by May 2016.	Annual review of audit charters by May 2016	Municipal Manager
					GP8.1.2	Number of audit committee meetings facilitated.	6	Municipal Manager
					GP8.1.3	% completion against internal audit plan.	100%	Municipal Manager
					GP8.1.4	Quarterly progress reports on Implementation of Internal Audit recommendations to Audit Committee.	4	Municipal Manager
Output 6: Administrative and financial capability.	GP9	To ensure good governance through openness, transparency and accountability in the organization.	GP9.1	To provide effective and efficient legal support services.	GP9.1.1	% of legal opinions finalised as requested.	100%	Municipal Manager
					GP9.1.2	Development and maintenance of applicable legislation database.	Development of database.	Municipal Manager
					GP9.1.3	Number of Council bylaws, policies and procedures reviewed.	8	Municipal Manager
					GP9.1.4	Turnaround time for addressing objections.	60 days.	Municipal Manager

GOVERNANCE AND PUBLIC PARTICIPATION.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
					GP9.1.5	Turnaround time for addressing disciplinary matters.	3 months.	Municipal Manager

4.2.3. FINANCIAL VIABILITY AND SUSTAINABILITY.

FINANCIAL VIABILITY AND SUSTAINABILITY.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
Output 6: Administrative and financial capability.	FV10	To ensure sound financial and fiscal management and good governance.	FV10.1	To ensure compliance with financial reporting in terms of the relevant legislative requirements.	FV10.1.1	Compliance with MFMA reporting obligations as per MFMA calendar.	100%	SED: Budget and Treasury Office
			FV10.2	To ensure an effective and efficient Supply Chain Management System.	FV10.2.1	Turnaround times for bids at 90 days and for quotations 30 days (Tenders/Quotations).	Turnaround times for bids at 90 days and for quotations 30 days (Tenders/Quotations).	SED: Budget and Treasury Office
					FV10.2.2	Review of Draft SCM Policy by 31 March 2015 and be approved on the 31 st of May 2015.	Review of Draft SCM Policy by 31 March 2015 and be approved on the 31 st of May 2016.	SED: Budget and Treasury Office
			FV10.3	To ensure a sound Asset Management System.	FV10.3.1	Review and approval of Asset Management Policy by 31 May 2015.	Review and approval of Asset Management Policy by 31 May 2016.	SED: Budget and Treasury Office
			FV10.4	To ensure compliance with budget planning and implementation.	FV10.4.1	Approved adjustment budget by 31 May 2015 and Approved budget by 28 February 2015.	Approved Annual Budget by 31 March 2016 and adjustment budget by 31 May 2016.	SED: Budget and Treasury Office
					FV10.4.2	% of municipal capital budget actually spent as per approved cashflows.	90%	Office of the Municipal Manager

FINANCIAL VIABILITY AND SUSTAINABILITY.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
Output 6: Administrative and financial capability.	FV11	To ensure a financially viable municipality.	FV11.1	To improve the payment factor by 2% basis points by June 2014.	FV11.1.1	Increase of payment factor increase by 2 percentage basis points by 30 June 2016.	75%	SED: Budget and Treasury Office
					FV11.1.2	Financial viability in terms of debt coverage.	15%	SED: Budget and Treasury Office
					FV11.1.3	Financial viability in terms of cost coverage.	2 months	SED: Budget and Treasury Office
					FV11.1.4	Financial viability in terms of outstanding service debtors.	146%	SED: Budget and Treasury Office
			FV11.2	To facilitate processes to enhance revenue.	FV11.2.1	Number of Revenue Enhancement meetings facilitated.	4	SED: Budget and Treasury Office
			FV11.3	To implement sound cash management practices.	FV11.3.1	Compilation of monthly banks reconciliations within 10 working days.	12	SED: Budget and Treasury Office

4.2.4. MUNICIPAL PLANNING AND ENVIRONMENT.

MUNICIPAL PLANNING AND ENVIRONMENT.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
Output 4: Actions supportive of the human settlements outcome.	MP12	To ensure the development and maintenance of a credible IDP	MP12.1	To develop the IDP Process Plan in line with the legislation.	MP12.1.1	Number of IDP RF meetings held.	2	Municipal Manager
					MP12.1.2	Number of sector plans co-ordinated and/or reviewed.	2	Municipal Manager
			MP12.2	To develop the IDP in line the 3 rd Generation IDP Guidelines.	MP12.2.1	Reviewed IDP by 31 May 2014.	Reviewed IDP by 31 May 2016.	Municipal Manager
			MP13.1	To undertake efficient and effective planning enforcement.	MP13.1.1	% of reported/identified cases of land use	90%	SED: DP&HS

MUNICIPAL PLANNING AND ENVIRONMENT.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
Output 4: Actions supportive of the human settlements outcome.	MP13	To develop an efficient and effective land use management system so as to promote a rational and harmonious land use activity system.				contraventions responded to.		
			MP13.2	Preparation of the Land Use Scheme covering the entire municipal area in terms of SPLUMA	MP13.2.1	Preparation of the Land Use Scheme covering the entire municipal area in terms of SPLUMA	Finalise Land Use Scheme covering the entire municipal area in terms of SPLUMA	SED: DP&HS
			MP13.3	Administration of the Town Planning Scheme.	MP13.3.1	% compliance to prescribed timeframes and requirements for inputs from all relevant parties.	100% compliance	SED: DP&HS
			MP13.4	Develop policies and bylaws for planning.	MP13.4.1	Number of policies and bylaws formed and reviewed.	1	SED: DP&HS
			MP13.5	To undertake efficient and effective building controls.	MP13.5.1	Average turnaround time for the approval of Building Plans.	10 days for residential, and 18 days for commercial and industrial buildings.	SED: DP&HS
					MP13.5.2	% of illegal buildings addressed as identified and reported.	100%	SED: DP&HS
Output 4: Actions supportive of the human settlements outcome.	MP14	To ensure an effective and integrated Geographic Information Management System.	MP14.1	Upgrading of the GIS System.	MP14.1.1	Purchase hardware.	N/A	SED: DP&HS
					MP14.1.2	Purchase CAD Software.	N/A	SED: DP&HS
			MP14.2	GIS Data Management	MP14.2.1	% of updated data received from municipal and sector departments.	100% updated data in relation to data received in the specific quarter.	SED: DP&HS
			MP14.3	GIS System integration with other municipal systems.	MP14.3.1	Mapping of infrastructure projects on GIS.	N/A	SED: DP&HS

MUNICIPAL PLANNING AND ENVIRONMENT.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
			MP14.4	Maintenance of the current GIS System	MP14.4.1	Number of staff trained	N/A	SED: DP&HS
Output 4: Actions supportive of the human settlements outcome.	MP15	To create human settlements that are economically viable, aesthetically pleasant, habitable and vibrant.	MP15.1	Uplifting of communities socially, economically and environmentally, including infrastructure development.	MP15.1.1	Approved JBC Urban Hub Precinct Plan by 30 June 2016.	Approved JBC Urban Hub Precinct Plan by 30 June 2016.	SED: DP&HS
			MP15.2	To promote focused Urban Renewal in the Madadeni, Blaaubosch (including Cavan and Johnstown) and Osizweni areas including the greater Newcastle area.	MP15.2.1	Finalization and submission of Business Plans for funding.	Preparation of Project Concept Plans for approved Business Pans.	SED: DP&HS
			MP15.3	To provide enablers for local communities towards an improved quality of their lives.	MP15.3.1	Number of MBO Forum held.	4	SED: DP&HS
Output 4: Actions asupportive of the human settlements outcome.	MP16	To promote spatial restructuring and integration.	MP16.1	To produce plans, policies and strategies to guide and manage development.	MP16.1.1	Approved Spatial Development Framework inclusive of Local Area Development Plans.	Approved Spatial Development Framework by 30 June 2016.	SED: DP&HS
					MP16.1.2	Preparation of atleast one Local Area Plan.	Approval of one Local Area Plan by 30 June 2016.	SED: DP&HS
					MP16.1.3	Approved JBC Urban Hub Precinct Plan by 30 June 2016.	Approved JBC Urban Hub Precinct Plan by 30 June 2016.	SED: DP&HS
Output 4: Actions supportive of the human settlements outcome.	MP17	To promote sustainable development and environmental awareness.	MP17.1	To provide a framework for Environmental Management.	MP17.1.1	Approved structure inclusive of the Environmental Management Unit.	N/A	SED: DP&HS
			MP17.2	To ensure compliance with environmental legislation and regulations.	MP17.2.1	Approved Environmental Management Framework (EMF) by 30 June 2015.	N/A	SED: DP&HS

MUNICIPAL PLANNING AND ENVIRONMENT.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
			MP17.3	To improve environmental awareness.	MP17.3.1	% of Communication Plan implemented.	100%	SED: DP&HS
Output 4: Actions supportive of the human settlements outcome.	MP18	To facilitate the provision of housing in line with the national and provincial norms and standards.	MP18.1	To reduce housing backlogs to meet the provincial and national targets.	MP18.1.1	Number of houses built.	700	SED: DP&HS
					MP18.1.2	Number of Serviced Sites for Human Settlements projects.	380	SED: DP&HS
			MP18.2	Development and implementation of a Housing Sector Plan.	MP18.2.1	Revised Housing Sector Plan.	Annual Review of Housing Sector Plan.	SED: DP&HS
			MP18.3	Promotion of a variety of housing typologies and densities in and around nodal points.	MP18.3.1	Number of applications for funding submitted to the Department of Human Settlements.	2	SED: DP&HS
					MP18.3.2	Number of informal settlements upgrade.	Initiate in-situ upgrading of Stafford Hill and Roypoint (Vezukuhle).	SED: DP&HS
Output 4: Actions supportive of the human settlements outcome.	MP19	To promote sustainable human settlements in rural areas (Land Reform areas).	MP19.1	Liaison with the Dept. of Human Settlements and Rural Development.	MP19.1.1	Number of sites released for disposal.	15	SED: DP&HS
			MP19.2	To develop and maintain a reliable Housing Waiting List database.	MP19.2.1	% of housing database updated.	100%	SED: DP&HS
			MP19.3	Promotion of Security of Tenure.	MP19.3.1	Number of house transferred	40	SED: DP&HS
Output 4: Actions supportive of the human	MP20	Efficient management of the municipal real estate.	MP20.1	To create a Municipal Land Bank.	MP20.1.1	Number of pieces of land acquired for development.	5	SED: DP&HS
			MP20.2	To review the Municipal Land Disposal Policy.	MP20.2.1	Review Land Disposal Policy by 31 December 2014.	N/A	SED: DP&HS

MUNICIPAL PLANNING AND ENVIRONMENT.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
settlements outcome.			MP20.3	To conduct a Municipal Land Audit.	MP20.3.1	Land Register and Final Report by 30 June 2016.	Land Register and Final Report by 30 June 2016.	SED: DP&HS
Output 4: Actions supportive of the human settlements outcome.	MP21	Management of municipal housing.	MP21.1	To keep municipal housing stock in good condition.	MP21.1.1	Number of flood victims houses built	2	SED: DP&HS
Output 4: Actions supportive of the human settlements outcome.	MP22	Promoting the development of integrated human settlements.	MP22.1	Prepare the Rural Development Strategy.	MP22.1.1	Finalise the Rural Development Strategy.	N/A	SED: DP&HS
Output 4: Actions supportive of the human settlements outcome.	MP23	Provision of cemetery services in accordance with the relevant legislation.	MP23.1	Manage maintenance and operations of cemeteries.	MP23.1.1	Detailed geotechnical and hydrological investigation.	Finalise geotechnical and hydrological investigation for Cemetery Sites by 30 June 2016.	SED: DP&HS
					MP23.1.2	% of complaints addressed.	100%	SED: Community Services
					MP23.1.3	% of new entries with regards to burials captured electronically.	100%	SED: Community Services

4.2.5. INFRASTRUCTURE DEVELOPMENT (SERVICE DELIVERY).

INFRASTRUCTURE DEVELOPMENT (SERVICE DELIVERY).								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
Output 2: Improving access to basic services.	ID24	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality's jurisdictional area.	ID24.1	To ensure that the water and sanitation service is rendered in an efficient and affordable manner.	ID24.1.1	Number (as well as percentage) of households with access to potable (drinkable) water.	82 692 (98%)	SED: Technical Services
					ID24.1.2	Number (as well as percentage) of households with access to sanitation.	62 405 (74%)	SED: Technical Services
					ID24.1.3	Appointment of service provider to develop a strategy to take over of UTW functions.	N/A	Municipal Manager
			ID24.2	To promote water conservation and environmental awareness.	ID24.2.1	Annual review of WSDP by 31 January 2015.	Approved WSDP annual review by 31 January 2016.	SED: Technical Services
					ID24.2.2	Number of awareness campaigns to promote water conservation and environmental awareness.	24	SED: Technical Services
					ID24.2.3	Reduction of water losses by 2% per annum for NRW.	43%	SED: Technical Services
					ID24.2.4	Approved Business Plans for rural areas and urban areas.	N/A	SED: Technical Services
			ID24.3	To develop the Capital Investment Program.	ID24.3.1	% spent of capital budget as per approved cash flows (DWA funding).	90%	SED: Technical Services
					ID24.3.2	% completion of Asset Replacement Plan.	Draft Asset Replacement Plan (pipes, pump stations)	SED: Technical Services

INFRASTRUCTURE DEVELOPMENT (SERVICE DELIVERY).								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
Output 2: Improving access to basic services.	ID25	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure.	ID25.1	Maintenance of Council buildings in an acceptable condition.	ID25.1.1	% of municipal building maintenance plan implemented	90%	SED: Technical Services
			ID25.2	To provide streets beautification and pavements.	ID25.2.1	m ² of sidewalks paved.	3 340m ²	SED: Technical Services
			ID25.3	To develop and implement the Roads and Stormwater Infrastructure Plan.	ID25.3.1	m ² of sidewalks paved.	3 340m ²	SED: Technical Services
					ID25.3.2	Km's of roads resealed.	9km	SED: Technical Services
Output 2: Improving access to basic services.	ID26	To ensure access to electricity and other forms of energy where applicable.	ID26.1	To provide electricity within the Newcastle Municipality Licensed Areas.	ID26.1.1	Number of solar geysers installed.	N/A	SED: Electrical and Mechanical Services
					ID26.1.2	Number of households with access to electricity connection in the Eskom Licensed Area.	66 963	SED: Electrical and Mechanical Services
			ID26.2	To facilitate the supply of electricity outside the areas licensed with Eskom.	ID26.2.1	Approved ESDP by 30 June 2016	Approved ESDP by 30 June 2016	SED: Electrical and Mechanical Services
					ID26.2.2	Number as well as percentage of households with access to electricity-new connections.	81 185 (96.6%)	SED: Electrical and Mechanical Services
			ID26.3	To improve the electricity network in the Newcastle Municipality Licensed Areas.	ID26.3.1	% of Maintenance Plan implemented.	100%	SED: Electrical and Mechanical Services
			ID26.4	To engage Eskom regarding the transfer of license in Eskom Licensed Areas.	ID26.4.1	Backlog of electricity connections to consumer units (ESKOM Area).	3 723 (700HH)	SED: Electrical and Mechanical Services
			ID27.1	To keep the Newcastle Municipal area clean.	ID27.1.1	% of Communication Plan Implemented.	100%	SED: Community Services

INFRASTRUCTURE DEVELOPMENT (SERVICE DELIVERY).								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
Output 2: Improving access to basic services.	ID27	To provide and ensure a safe and healthy environment.	ID27.2	Implementation of the Waste Management Strategy in line with the relevant legislation.	ID27.2.1	Master Plan for Community Services finalised by 31 March 2014.	N/A	SED: Community Services
					ID27.2.2	% of backlogs addressed.	3%	SED: Community Services
					ID27.2.3	Number as well as % of households serviced.	72 181 (85%)	SED: Community Services
					ID27.2.4	Number of registered landfill/waste disposal sites.	N/A	SED: Community Services
					ID27.2.5	New site identified within a 25km radius of Newcastle.	N/A	SED: Community Services
					ID27.2.6	Number of Draft Bylaws to be completed by each section.	N/A	SED: Community Services
					ID27.2.7	% of complaints addressed within 24hrs.	100%	SED: Community Services
					ID27.2.8	Progress made with the closure of the existing site.	N/A	SED: Community Services

4.2.6. SOCIAL DEVELOPMENT.

SOCIAL DEVELOPMENT								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
Output 3: Implementation of the Community Work Programme.	SD28	To respond to the needs of the vulnerable groups.	SD28.1	Aged and disabled programs.	SD28.1.1	Number of special programs implemented.	12	Municipal Manager
			SD28.2	Participate in the Provincial initiatives and programs.	SD28.2.1	Number of programs invited to participate in.	2	Municipal Manager
					SD28.2.2	Number of engagements with external stakeholders.	24	Municipal Manager

SOCIAL DEVELOPMENT								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
			SD28.3	Participate in District games.	SD28.3.1	Monthly OSS programmes facilitated/implemented.	12	Municipal Manager
Output 3: Implementation of the Community Work Programme.	SD29	Youth development and women empowerment.	SD29.1	Implementation of Youth Development Projects.	SD29.1.1	Number of workshops facilitated.	2	Municipal Manager
			SD29.2	Gender programs.	SD29.2.1	Number of functional Special Programs FOR A.	8	Municipal Manager
			SD29.3	Participate in the KWANALOGA games.	SD29.3.1	Number of programs invited to participate in.	Participate annually in Kwanaloga games	SED: Community Services
Output 3: Implementation of the Community Work Programme.	SD30	To manage the effect of HIV/Aids within the Newcastle jurisdictional area.	SD30.1	Development and implementation of a Workplace HIV/Aids management program.	SD30.1.1	Number of fora established/functional.	8	Municipal Manager
			SD30.2	HIV/Aids awareness campaigns.	SD30.2.1	Number of HIV/Aids program/events implemented.	11	Municipal Manager
Output 3: Implementation of the Community Work Programme.	SD31	To improve access to basic services.	SD31.1	Free basic services.	SD31.1.1	Monthly registrations and deregistration.	12	SED: Budget and Treasury Office
			SD31.2	Rates rebates and breaks.	SD31.2.1	Compliance with the update of Financial System with pensioners rates tariff	Pensioners account updated with new tariff in compliance with approved application form	SED: Budget And Treasury Office
			SD31.3	Social security grants.	SD31.3.1	% of households earning less than R1100.00 per month with access to free basic services (R3000 as per the Indigent Policy for Newcastle).	17.17% (19 829)	SED: Budget and Treasury Office
Output 3: Implementation of the Community Work Programme.			SD32.1	Licensing.	SD32.1.1		N/A	SED: Community Services
			SD32.2	Traffic management.	SD32.2.1	Appointment and installation of parking meters.	Appoint and install parking meters by June 2016.	SED: Community Services
					SD32.2.2	Number of roadblocks conducted.	24	SED: Community Services

SOCIAL DEVELOPMENT								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
on of the Community Work Programme.	SD32	To improve safety and security	SD32.3	Participation on road safety awareness campaigns.	SD32.3.1	% of Communication Plan implemented.	100%	SED: Community Services
			SD32.4	Establishment of the Disaster Management Forum.	SD32.4.1	Quarterly reports on Disaster Management forum to Portfolio Committee.	4	SED: Community Services
					SD32.4.2	Number of Sector Plans for all sections in Community Services finalised by June 2014.	N/A	SED: Community Services
			SD32.5	To improve the fire-fighting services.	SD32.5.1	Number of fire inspections conducted.	200	SED: Community Services
					SD32.5.2	Average dispatch time.	1 minute	SED: Community Services
					SD32.5.3	Average time taken to respond to victims.	24 hours	SED: Community Services
Output 3: Implementation of the Community Work Programme.	SD33	To ensure efficient use and management of community facilities.	SD33.1	Environmental health services.	SD33.1.1	% of complaints addressed within 24 hours.	100%	SED: Community Services
			SD33.2	Sports, parks and recreation.	SD33.2.1	Number of new play parks established.	4	SED: Community Services
					SD33.2.2	% of cutting cycle plan implemented quarterly.	100%	SED: Community Services
			SD33.3	Improvement of community access to facilities (halls, pools, libraries and amenities).	SD33.3.1	Number of exhibitions or events facilitated.	8	SED: Community Services

4.2.7. LOCAL ECONOMIC DEVELOPMENT.

LOCAL ECONOMIC DEVELOPMENT.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
Output 1: Implementation of a differentiated approach to municipal planning and support.	ED34	To facilitate economic development that will result in sustainable job creation.	ED34.1	To facilitate investment promotion by local and foreign businesses.	ED34.1.1	Quarterly reports on meetings held with foreign and local investors.	4 quarterly reports to Portfolio Committee.	SED: DP&HS
			ED34.2	Business Retention and Expansion (BNR).	ED34.2.1	Quarterly reports on meetings with chambers of Newcastle businesses	4 quarterly reports to Portfolio Committee.	SED: DP&HS
Output 1: Implementation of the Community Work Programme.	ED35	To facilitate economic development that will result in sustainable job creation.	ED35.1	Provision of internal guidance for investment and infrastructure expenditure.	ED35.1.1	Number of meetings held (ICC).	4	SED: DP&HS
					ED35.1.2	Bi-annual reports on meetings held with sector government departments, NGOs and potential funders.	4 quarterly reports to Portfolio Committee.	SED: DP&HS
					ED35.1.3	Number of economic studies completed and submitted to Portfolio Committee.	2	SED: DP&HS
Output 1: Implementation of the Community Work Programme.	ED36	To facilitate economic development that will result in sustainable job creation.	ED36.1	To facilitate the development of key infrastructure to help facilitate the growth of the economy.	ED36.1.1	Study/survey to identify key infrastructural needs that drive and unlock the local economy.	Completed Survey Report.	SED: DP&HS
Output 1: Implementation of the Community Work Programme.	ED37	To facilitate economic development that will result in sustainable job creation.	ED37.1	Regulation of the Informal Economy.	ED37.1.1	Develop policy for informal trading and review of the bylaws.	N/A	SED: DP&HS
					ED38.1.1	Number of reports on events supported.	2	SED: DP&HS
					ED38.1.2	Number of Hawker Stands built.	N/A	SED: DP&HS

LOCAL ECONOMIC DEVELOPMENT.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
Output 1: Implementation of the Community Work Programme.	ED38	To facilitate economic development that will result in sustainable job creation.	ED38.1	Promotion of SMME and entrepreneurial development.	ED38.1.3	Development of a business for Business Incubator.	N/A	SED: DP&HS
					ED38.1.4	Number of SMMEs assisted.	50	SED: DP&HS
			ED38.2	Key sector development.	ED38.2.1	Number of business plans developed.	N/A	SED: DP&HS
Output 1: Implementation of the Community Work Programme.	ED39	To facilitate economic development that will result in sustainable job creation.	ED39.1	To facilitate a conducive environment for tourism business to grow.	ED39.1.1	Approved Tourism Development and Marketing Strategy and provision for implementation plan on 2015/16 budget.	N/A	SED: DP&HS
					ED39.1.2	Introduction of scheduled flights in Newcastle by 30 June 2016.	Introduction of scheduled flights in Newcastle by 30 June 2016.	SED: DP&HS
					ED39.1.3	Report on number of tourism trade shows attended and the outcome/impact to the Municipality.	4	SED: DP&HS
					ED39.1.4	Number of meetings held with tourism coordinating structures e.g. CTO.	4	SED: DP&HS
			ED39.2	Marketing and branding of Newcastle.	ED39.2.1	Approved Tourism Development and Marketing Strategy and provision for Implementation Plan on 2014/15 budget.	N/A	SED: DP&HS
					ED39.2.2	Develop the Newcastle Brand.	Development of the Newcastle Brand by 30 June 2016.	SED: DP&HS
Output 1: Implementation of the Community Work Programme.		To facilitate economic development that will			ED40.1.1	Number of work opportunities created through LED development initiatives	1 709	SED: DP&HS

LOCAL ECONOMIC DEVELOPMENT.								
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	KPI No.:	KPI	Target (2015/16).	Responsible Department/Vote
on of the Community Work Programme.	ED40	result in sustainable job creation.	ED40.1	To provide economic data.		including Capital Projects.		
					ED40.1.2	Publishing of the 2015/16 Business Directory on the NLM website.	Publishing of the 2015/16 Business Directory on the NLM website.	SED: DP&HS

SECTION 5: IMPLEMENTATION PLAN

5. IMPLEMENTATION PLAN.

5.1. SPATIAL DEVELOPMENT ISSUES AND OBJECTIVES.

As indicated before, the core challenges of the Spatial Development Framework would be to ensure spatial equity, efficiency and sustainability. However, current practices do not always promote these concepts and it is therefore vital to identify the manner in which current trends do not impact on the achievement of these responsibilities and the eventual realization of the municipal vision.

The key spatial issues to be addressed can be summarized as follow:

EQUITY	EFFECIENCY	SUSTAINABILITY
1. Provision, upgrading and maintenance of key distribution routes .	1. Provision, upgrading and maintenance of key distribution routes .	1. Plan service standards in line with economic and environmental affordability .
2. Promotion of economic activities in closer proximity to the unemployed .	2. Infill planning is required to make the delivery of services more cost effective.	2. Conservation and maintenance of infrastructure and resources are better than replacement.
3. Clustering of social and community facilities at more accessible points.	3. Stimulation of economic districts and nodes to promote sufficient market thresholds.	3. Fragmented spatial structure causes sprawl and should be countered.
4. Promotion of private sector investment in disadvantaged areas .	4. Planning around bulk capacities to ensure more cost effective developments.	4. Planning should promote the sustainable use of resources , rather than exclusion of use.
5. Spatial focus of resources to redress inequalities in services standards and quality of life.	5. Promotion of economic opportunities in close proximity to residential functions (where sustainable).	5. Improved land management measures to control potential conflicts are required.

In order to address the above issues, a set of objectives have been formulated based on a review of the objectives and strategies contained in the approved Newcastle Integrated Development Plan. These objectives represent a spatial refinement thereof and are as follows:

Development Sector	Objectives
SPATIAL DEVELOPMENT	<ul style="list-style-type: none"> Promote a compact urban structure through urban infill and densification Create a logical hierarchy of settlements to support effective service delivery Create an urban edge to contain urban sprawl
HOUSING	<ul style="list-style-type: none"> Identify sufficient land for future housing development Quantify housing backlogs and future needs Locate new housing development within a rational urban structure and urban development boundary to ensure sustainable development
ENVIRONMENT	<ul style="list-style-type: none"> Protect ecologically sensitive natural areas Create a municipal open space system, comprising ridges, mountains, rivers and dams Respect the flood lines of the major rivers and dams Respect the conservation guidelines for Nature Reserves
TRANSPORT	<ul style="list-style-type: none"> Focus urban development along major public transportation routes to establish transport corridors Public transport access points (drop-off/ collection points) should be located at service delivery centres
SERVICE INFRASTRUCTURE	<ul style="list-style-type: none"> Locate urban development, specifically housing development, within reach of bulk municipal services Inform the future planning and delivery of bulk municipal services
COMMUNITY FACILITIES	<ul style="list-style-type: none"> Settlement development must include the full range of community facilities to ensure viable and sustainable living environments Community facilities must be clustered with business facilities in service delivery centres Service delivery centres should be located in such a way that ensures equitable access for all communities Community facilities must be provided according to accepted planning and development standards and guidelines

5.2. DEVELOPMENT STRATEGIES.

The SDF proposes four key development strategies to help Newcastle achieve its vision of a sustainable, efficient and equitable future, and realize the spatial goals associated with this vision. These key development strategies are as follows:

- ☛ Promote urban, land use and transportation integration;
- ☛ Providing bulk infrastructure development;
- ☛ Establish equitable access to social services;
- ☛ Emphasize protection of agriculture and open spaces.

Although the current spatial pattern is inefficient and expensive, one has to admit that it is a fixed spatial pattern. Therefore, the aim should not be to alter the existing spatial structure, but one should rather guide its future development towards a better, more efficient and more cost-effective urban structure. In short, one should start addressing the weaknesses of the spatial structure through the planning and development of its future growth. Five strategies can be adopted to achieve this:

5.2.1. STRATEGY 1: LAND USE AND TRANSPORTATION INTEGRATION.

A more compact city will improve Newcastle's efficiency and sustainability by:

- ☛ Helping to protect environmentally sensitive land through reducing demand for this land;
- ☛ Making better use of the city's limited resources for infrastructure investments and maintenance;
- ☛ Supporting more transport options, as higher densities will provide enough people to make public transport viable; and
- ☛ Offering a better, more convenient lifestyle for people who cannot drive, such as elderly, very young and disabled people, as a greater number of facilities and opportunities will be accessible by foot, bicycle or public transport.

A compact city will be achieved through introducing planning tools that contain the city's footprint and encourage responsible densification (through strategic infilling, and the intensification of land uses within the existing urban footprint, aligned with concentrations of economic activity, public transport, infrastructure and amenities). New urban development will be directed towards locations where its impact on the city's natural and built heritage will be least felt, or can be best managed, and where it is possible for sustainable human

settlement to be served by the full range of urban opportunities and services. Similarly, new urban development will be expected to achieve a compact form, with appropriate planning for density, and a greater mix and intensity of land uses.

In South Africa, public transportation costs make up a large proportion of household incomes, a cost that is augmented by the sprawling nature of our cities. Land use development and public transportation are therefore interlinked and affect each other greatly. Urban corridors create the optimal land use structure for the cost-effective operation of public transport systems. Public transportation works most effectively in a linear pattern, as opposed to winding its way through a widespread urban area. Such a linear land use pattern also benefits commuters, because it implies that residential settlements hug the corridor road or railway line, placing commuters within short walking distances of such public transportation termini.

One should move away from the fragmented and sprawling urban structure existing within the areas of Madadeni and Osizweni. Consolidating all the existing outlying settlements with each other and the business core area should achieve this. This can be done by filling in the unpopulated areas between these settlements with the future growth of these settlements. By doing this, the settlements will join together and towards the business core area, forming consolidated urban areas. Such an integrated urban structure will form basis for the provision of cost-effective municipal services and public transportation infrastructure. However, it should be noted that the position of the relatively large industrial area of Newcastle requires an integration path that will stretch fairly wide towards Ngagane or join up at Hilddrop/Arbor Park.

5.2.2. STRATEGY 2: BULK INFRASTRUCTURE DEVELOPMENT.

Providing bulk infrastructure can be an important tool to achieve the above-mentioned spatial pattern and will, in turn, result in cost savings when developing the bulk infrastructure. All future bulk infrastructure should be developed within the urban areas described above; because where bulk infrastructure is developed, urban development will follow. In this manner, bulk services will force future urban development into a more rational and desirable urban pattern. At the same time, the location, implementation and functioning of the bulk service network will be rationalised.

5.2.3. STRATEGY 3: EQUITABLE ACCESS TO SOCIAL SERVICES.

As was mentioned, the settlements located on the outskirts of the Municipal Area are located far from the social services provided in the Newcastle core area. This results in high public

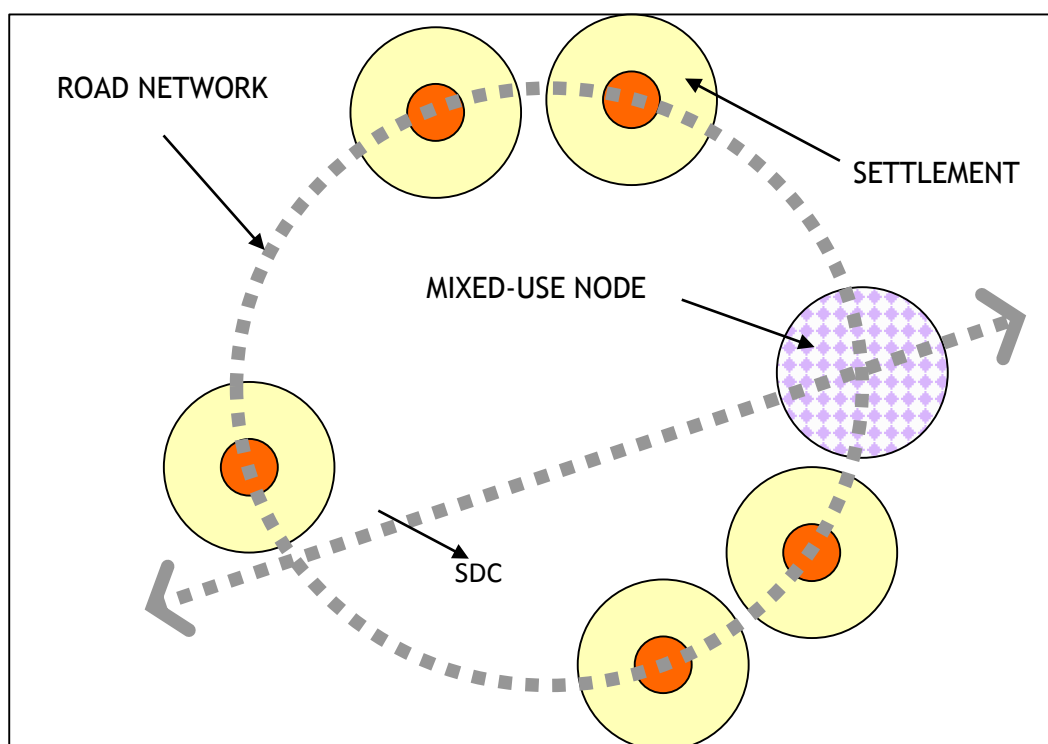
transportation costs for the poor living in these areas to access these services. It is imperative that a number of these social services be provided in these outlying settlements through the development of Service Delivery Centres. A hierarchy of such SDCs, containing facilities such as clinics and community centres, will place these facilities closer to these settlements, thus making them more accessible and achieving greater urban integration.

5.2.4. STRATEGY 4: PROTECTION OF AGRICULTURAL LAND AND OPEN SPACES.

A way to integrate urban areas is to deliberately protect high-potential agricultural areas and ecologically sensitive natural open spaces. By rigorously protecting such areas, urban areas are prohibited to sprawl freely and are therefore forced into denser urban agglomerations. Therefore, such an approach not only protects agriculture and the environment, but also helps create a more rational, cost-effective and manageable urban structure.

5.3. DEVELOPMENT CONCEPT & FRAMEWORK.

Figure 35: Spatial Planning Approach



The aim of the Development Concept was to formulate the desired spatial structure for Newcastle. Consequently, it is important that the Development Concept adheres to the principles of land use and transportation planning. It does this for two reasons. Firstly, it proposes urban corridors aligned along public transportation routes, thus promoting higher

densities along these transportation routes. Secondly, it proposes a hierarchy of Service Delivery Centres (or SDCs) along these corridors, thus creating opportunities for mixed land use around transportation bus stops and taxi ranks.

The spatial outcome of the Development Concept will be development corridors shaped like a string-of-beads, which concentrates development at intersections or transit stops along public transportation routes. Because this configuration concentrates urban development along the transportation routes, it manages sprawl and therefore exhibits a degree of environmental and agricultural conservation.

5.3.1. SERVICE DELIVERY CENTRES.

Four types of SDCs are proposed for Newcastle Municipality: 1st, 2nd, 3rd order as well as Rural SDCs.

Table 74: Service Delivery Centres.

SDC TYPE	THRESHOLD POPULATION	ACCESS INTERSECTION	SDC AREA
1 st order	> 100 000	Class 3	- Newcastle CBD. - Proposed JBC CBD
2 nd order	< 100 000	Distributor & Collector	-Madadeni CBD -Osizweni CBD
3 rd order	< 20 000	Class 3 & Class 4	- Fairleigh (Siyahlalala) - Kilbarchan - Madadeni Section 2
Rural	< 10 000	Distributor	-Ingogo -Leokop -Charlestown -Ballengeigh -Normandien

Specific preferred land use outcomes at the above localities are outlined in the full SDF. These form part of the Land Use Management Guidelines required in terms of the Municipal Systems Act.

5.3.2. DEVELOPMENT CORRIDORS AND MOBILITY ROUTES.

Four development corridors and Mobility Routes were identified in Newcastle. These development corridors and mobility routes must become the primary vehicles for the establishment of urban cohesion and integration, as well as become the catalysts for land use and transportation integration. The identified development corridors are as follows:

- ☛ N11 Primary Mobility Route.
- ☛ R34 Secondary Mobility Route.
- ☛ P483 Mixed-used Activity Corridor.
- ☛ Allen Street Mixed-used corridor.

5.3.3. NODAL STRUCTURE.

In terms of the PSEDS Newcastle has been identified as a secondary investment node with a number of nodes and potential nodes within. This can be linked to the settlement hierarchy identified in the situational analysis. This nodal structure is as follows:

Table 75: Nodal Classification

Type of Node	Area
A Secondary Investment Node (PSEDS)	-Newcastle
B Secondary Node (PGDS)	-Newcastle
C Primary CBD Node (Municipal SDF)	-Newcastle CBD -Proposed JBC CBD
D Regional Multi Use Node (Municipal SDF)	-Emerging Southern Business extension (Casino Development Newcastle Mall and surroundings)
E Community Multi Use Node (Municipal SDF)	-Emerging Northern Business extension (Majuba Mall and surroundings) -Madadeni CBD -Osizweni CBD
F Neighbourhood Multi Use Nodes	-Huttenheights -Pioneer Park -Barry Hertzog Park -Ncandu Park -Arbor Park -Fairleigh -Lennoxton -Fernwood -Surayaville -Madadeni Sec D (x2) -Madadeni Sec F -Madadeni Sec P -Osizweni Sec A -Osizweni Sec B -Osizweni Sec C -Kilbarchan
G Multi Use Node	-Vlam
H Industrial Node	-Newcastle Industrial Area / Mittal / Karbochem / Madadeni Industrial
I Large Scale Mixed Use Nodes	-P483 Corridor
J Rural Nodes (Municipal SDF)	-Ingogo -Leokop -Charlestown -Ballengeich / Bosworth -Normandien
K Smaller nodes of importance: Medical Multi Use Nodes Educational Multi Use Nodes	-Newcastle Private & Provincial Hospital Madadeni Provincial Hospital -Newcastle Training Centre, Madadeni Majuba FET College, NUTEC, UNISA,

Type of Node	Area
Social Multi Use Nodes	Damelin, Boston College, ITB -Madadeni Section 2
L Amajuba Mountainous Nodal Policy Development Nodes (District SDF) (See Annexure 12)	-Dunblane node -Normandien Pass Node -Muller's Pass Node -Ingogo / Botha's Pass Node

5.3.4. OPEN SPACE SYSTEM.

An open space system fulfils a number of functions. These functions include hazard avoidance, resource conservation, ensuring social well-being and education. These functions of an open space system are listed in more detail in Table 31.

Table 76: Function of Open Space System

HAZARD AVOIDANCE	RESOURCE CONSERVATION	RECREATIONAL AND PSYCHOLOGICAL	EDUCATIONAL
Open spaces must reserve flood prone areas.	Open spaces must protect water sources.	Developed and maintained open space must be provided for recreational purposes.	Open spaces must be protected for environmental education purposes.
Open spaces must reserve steep slopes and geologically unstable ground.	Open spaces must protect linked areas of conservable indigenous vegetation.	Open space must be provided for social interaction and as symbols of community identity.	Well-equipped and designed open spaces must be provided for sport education.
Open spaces should protect drinking water sources from being contaminated.		Open spaces must be protected for psychological relief from the stresses of urban live.	

As mentioned in the situational analysis, open space and recreation within the Municipal Area can be divided into 2 categories: passive and active open spaces. Proposals for Newcastle urban areas are made according to these categories.

Passive open spaces consist of land that is unsuitable or undesirable for urban development due to certain topographical or ecological constraints. The open space system of the Municipal Area must include the following elements:

- Water Sources: The conservation of passive open spaces that contain watercourses is of specific importance. The natural drainage channels and banks of these rivers and dams must be protected up to the 100-year flood line. Sanitation systems must be provided in settlements located close to these water sources to avoid the pollution of these water sources by sewerage and other harmful effluents.
- Mountainous Areas: The tail of the Drakensburg stretches in a north-south direction across the western area of Newcastle. This mountain range is also a primary visual and

structuring element within the Municipal Area. For these reasons this mountain range must be protected and form part of the municipal wide passive open space system.

Active open spaces entail the recreational component of the open space system. These provide sport facilities at settlements for use by local clubs and schools. Correctly located, well-developed and maintained recreation facilities can be an asset for the people of Newcastle. Formulating principles for the development of active open spaces can help ensure that standards of quality and usefulness are achieved in the planning, design and management of such spaces.

5.3.5. IMPLEMENTING THE SDF.

As part of the Newcastle IDP, the SDF and its implementation is crucial to the development of the municipal area and its communities. Through the IDP, the SDF will influence budgeting and resource allocation and specific interventions will be measured through the performance management system. Practical implementation of the SDF will be achieved through further detailed planning of special development areas and the Newcastle Land Use Management System, currently being formulated.

5.3.5.1. DEMARCATING AN URBAN EDGE.

The introduction of urban edge principles to control the sideways expansion of urban settlements has become fairly common in the municipal environment. However the success in achieving their primary objective has not been particularly good, as urban expansion sometimes still continues in an uncontrolled way, beyond the existing built-up area. These types of developments and expansion usually includes large, private developments which seek to privatize convenience, in a variety of forms for example, golf and polo estates, eco- and other forms of resort villages, retirement complexes based on the theme of retreating to the countryside, and so on, which frequently results in 'ad-hoc' sprawl; small scale incremental development by smaller developers and individual land owners. The issue of land prices and low income housing projects, informal settlements and the availability of land usually contributes to development beyond the urban edge.

The urban edge is a medium-term to long-term edge line (5-20 years) that has been demarcated to limit urban sprawl, or to protect natural resources. Demarcating an urban edge has specific advantages, the primary being to prevent uncontrolled urban sprawl. Urban sprawl is undesirable since it increases pressures on the limited resource of local government, from public transport to water and sanitation infrastructure provision and impedes on valuable agricultural land. Demarcating the urban edge will also protect valuable agricultural

land and ecologically sensitive areas from urban encroachment. But an urban edge can also have drawbacks. For example, it can restrict the supply of land for urban development, which will inflate land prices within the urban boundary. Care should therefore be taken when demarcating an urban edge. A balance should be reached between providing enough land for urban development and the need for sustainable development.

Certain actions are however required to ensure that the urban edge is effective. These include:

- ☛ A clear demarcation of the urban edge;
- ☛ Ensure the protection of land beyond the urban edge;
- ☛ Meeting the demand for growth;
- ☛ Strategic densification, urban renewal and infill planning.

An urban edge is demarcated for the Municipal Area as part of the SDF. The proposed urban edge, which is illustrated on Map 1, was demarcated using the following guiding principles:

- ☛ The containment of the urban sprawl and the promotion of infill and densification;
- ☛ Eradicating sprawl and promoting urban compaction;
- ☛ Protecting important elements within urban settlements;
- ☛ Promotion of small scale agriculture;
- ☛ Avoiding fragmentation of rural and wilderness landscapes;
- ☛ Maintaining dominance of agricultural and wilderness landscapes outside of urban cores;
- ☛ The creation of urban corridors along public transportation routes;
- ☛ The future municipal housing need and associated land required;
- ☛ The cost implications of establishing new infrastructure for new township developments;
- ☛ Taking into consideration unsafe geological conditions;
- ☛ The conservation of environmentally sensitive areas;
- ☛ The protection of high-potential agricultural land; and
- ☛ Identified desired and undesired utilization of land.

A guideline for the type of land uses to be allowed inside and outside of the urban edge are depicted in the Table below. As a rule, the urban edge applies to all developments requiring a township establishment application.

Inside urban edge	Outside urban edge
<ul style="list-style-type: none"> • Urban settlements • Rural settlements • Business and office areas • Industrial and commercial areas • Governmental uses • Urban agriculture • Residential Areas • Public Open Space • Private Open Space • Bulk infrastructure & Servitudes 	<ul style="list-style-type: none"> • Extensive and intensive agricultural areas • Conservation areas and nature reserves • Tourism facilities and related activities • Rural services (social & economic) • Agricultural holdings • Communal farms • Mines & Quarries • Water Catchments • Bulk infrastructure & Servitudes

As Newcastle grows, the municipality will need to provide more undeveloped land for urban development, and the edge line will have to be reviewed and adjusted. These adjustments:

- must not be where natural, heritage or scenic resources merit protection;
- should facilitate the logical extension of the city's infrastructure network; and
- Should allow sufficient urban development land within the edge line to accommodate at least 10 years' urban growth.

Newcastle's urban edge aims to contain urban development along the development corridors proposed in the Development Concept. In addition, it largely aims to prohibit urban sprawl into the intensive agricultural areas around Ncandu River and towards the productive agricultural land. A number of existing mining settlements are located within the urban edge and can be formalized through a township establishment procedure. The land beyond the urban edge should be earmarked for non-urban uses only that can benefit from those in close proximity to the urban core and opportunities. Existing settlements beyond the urban edge have to be acknowledged but they should be contained and their growth limited and basic services should be provided.

5.3.5.2. SPECIAL DEVELOPMENT AREAS.

In order to give focus to the organizational activities of the NLM as it strives to achieve its developmental goals, several specific areas (or geographic localities) have been identified as Special Development Areas: - areas where the Municipality would need to prioritize its spending and resources to enhance and promote integrated development outcomes. These are proposed as:-

- The **Newcastle CBD** as a Primary CBD Node;

- ☛ The **Madadeni** CBD as a Community Multi use Node;
- ☛ The **Osizweni** CBD as a Community Multi use Node;
- ☛ The **JBC** intervention and investment area as a Primary CBD Node;
- ☛ The **Newcastle South** intervention and investment area (Equarand) as a Regional Node;
- ☛ The Kilbarchan, Ingagane & Ballengeich intervention area as a
- ☛ Neighbourhood Multi Use Node.
- ☛ The **Charlestown** intervention area as a Rural Node.

In the case of the Newcastle, Madadeni and Osizweni CBD's, the Newcastle South Development Area, Kilbarchan, Ingagane & Ballengeich Area as well as Charlestown, Local Area Development Plans and urban design frameworks with more locality specific detail have been prepared and should be considered as extension of this Municipal Wide Spatial Development Framework and adopted together with the said SDF. The Charlestown LADP is in the process of being finalized and will be included within the next SDF review.

Rural Development Areas where the focus would be on development planning for livelihoods support and agricultural development. These areas are seen as key target areas for land reform, principally for land redistribution, land tenure reform and land reform for agricultural development. The principal target areas are land that is presently under pressure for settlement. The main component areas include: -

- ☛ Charlestown,
- ☛ Ngogo,
- ☛ Leokop and
- ☛ Normandien

5.3.5.3. SDF IMPLEMENTATION PLAN (CAPITAL PROJECTS 2013 – 2017).

To ensure the practical application and success of the spatial principles, concepts, strategies and policies of the SDF, a multifaceted implementation plan is required. The implementation of the SDF also requires the alignment of spatial strategies and infrastructure planning and budgeting. This will be done through the IDP.

The major key capital projects (62 in total) with a spatial dimension / implication, which are currently planned or underway as part of the IDP process and have a spatial impact or significance are listed below and illustrated on the attached Capital Projects Plan.

Besides the current 2009/2013 capital projects that are in operation the municipality also indicated a 3 year priority plan (2011-2013) for the implementation of proposed projects per department. These projects can be found within the draft report and are not included within the executive summary (**Refer to ANNEXURE B: NLM Spatial Development Framework 2015/16**).

5.4. THREE YEAR INVESTMENT PROGRAMME.

5.4.1. CAPITAL INVESTMENT PLAN.

To ensure the practical application and success of the spatial principles, concepts, strategies and policies of the SDF, a multifaceted implementation plan is required. The implementation of the SDF also requires the alignment of spatial strategies and infrastructure planning and budgeting through the IDP.

The Newcastle Municipality developed a capital investment framework as part of this SDF, which identify where funds will be allocated through the spatial priorities and corresponding implementation strategies identified within the Western Service Delivery Region (WSDR), Eastern Service Delivery Region (ESDR) and Rural Service Delivery Region (RSDR). This Capital Investment Framework guides the Newcastle Municipality's capital expenditure in order to achieve citizen-centered public service and to shape the desired form of the municipality. It intends to bridge the gap between the spatial priorities, strategies and the implementation plan and sets the background and basis on which other sector plans should focus with their priorities.

The process of developing a Capital Investment Framework includes the collection of information from other municipal departments and verifying it where necessary. **Collected information from other departments will give an indication of the current development profile of the different departments through the Service Delivery and Budget Implementation Plan (SDBIP).** This is followed by a spatial illustration to also inform spatial interventions and investments for example bulk infrastructure and corridor development.

The Capital Investment Framework explores areas that present potential for sustainable economic and corridor development, therefore attracting private sector investment and creating long term employment for the public. In conclusion, the Capital Investment Framework for this SDF assists the Newcastle Municipality to address spatial distortions and inequalities of past policies in the form of densification, compaction and nodal development.

The major key capital projects with a spatial dimension/implication, which are currently planned or underway as part of the IDP process and have a spatial impact or significance are listed below and illustrated on the attached Capital Projects Plan.

5.4.1.1. COMMITTED AND NEW PROJECTS.

Table 77: Capital Projects.

DIRECTORATE DESCRIPTION	IDP PROJECT NUMBER	FINANCE SOURCE DESCRIPTION	VOTE DESCRIPTION	IDP PRIORITIES	NLM STRATEGIC OBJECTIVES	DRAFT 2016/17	DRAFT 2017/18	DRAFT 2018/19
COMMUNITY SERVICES								
COMMUNITY SERVICES			Fernwood indoor cricket			750,000	-	-
COMMUNITY SERVICES			Airconditioners fire			15,000		
COMMUNITY SERVICES			Fencing of Hardwick street cemetery			-	-	-
COMMUNITY SERVICES			Purchase digital radios			-	700,000	700,000
COMMUNITY SERVICES		ASSET FINANCING RESERVE	Machinery & Equipment	Poor Access to Public Facilities	To ensure efficient management and use of community facilities	100,000	400,000	400,000
COMMUNITY SERVICES	CSS0158/2015	ASSET FINANCING RESERVE	Material Recovery Facility	Poor Access to Public Facilities	To ensure efficient management and use of community facilities	-	1,000,000	-
COMMUNITY SERVICES	CSS0155/2015	ASSET FINANCING RESERVE	Purchase Litter Bins	Poor Access to Public Facilities	To ensure efficient management and use of community facilities	150,000	-	-
COMMUNITY SERVICES	CSS0156/2015	ASSET FINANCING RESERVE	Purchase Bulk Containers	Poor Access to Public Facilities	To ensure efficient management and use of community facilities	500,000	-	-
COMMUNITY SERVICES	CSS0178/2016	ASSET FINANCING RESERVE	Purchase of concrete tables and chairs at Caravan Park	Poor Access to Public Facilities	To ensure efficient management and use of community facilities	100,000	-	-
COMMUNITY SERVICES	CSS0182/2016	ASSET FINANCING RESERVE	Trailers for Grass cutting	Poor Access to Public Facilities	To ensure efficient management and use of community facilities	150,000	-	-

COMMUNITY SERVICES	SRA0189/2016	EXTERNAL LOANS	Generators : Halls	Poor Access to Public Facilities	To ensure efficient management and use of community facilities	300,000	200,000	2,000,000
COMMUNITY SERVICES	SRA0190/2016	MUSEUM SUBSIDIES	Railway Station	Poor Access to Public Facilities	To ensure efficient management and use of community facilities	114,500	-	-
COMMUNITY SERVICES	SRC0581/050	PROVINCIALISATION OF LIBRARIES	Refurbishment of NN library	Poor Access to Public Facilities	To ensure efficient management and use of community facilities	2,000,000	-	-
COMMUNITY SERVICES			Self-contained breathing air compressor			-	2,000,000	2,000,000
COMMUNITY SERVICES			Shipping containers – Disaster Management			-	-	-
DIRECTORATE DESCRIPTION	IDP PROJECT NUMBER	FINANCE SOURCE DESCRIPTION	VOTE DESCRIPTION	IDP PRIORITIES	NLM STRATEGIC OBJECTIVES	DRAFT 2016/17	DRAFT 2017/18	DRAFT 2018/19
CORPORATE SERVICES								
CORPORATE	MUN0073/2014	ASSET FINANCING RESERVE	Records management system	N/A	To ensure effective and efficient administrative support services.	2,500,000	-	-
DIRECTORATE DESCRIPTION	IDP PROJECT NUMBER	FINANCE SOURCE DESCRIPTION	VOTE DESCRIPTION	IDP PRIORITIES	NLM STRATEGIC OBJECTIVES	DRAFT 2016/17	DRAFT 2017/18	DRAFT 2018/19
DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS								
DPHS	TWP0177/2015	ASSET FINANCING RESERVE	GIS	N/A	To ensure an effective and integrated Geographic Information System.	250,000	150,000	726,000
DPHS	HLP0176/2015	ASSET FINANCING RESERVE	Lenville Sites	Urbanisation-Sustainable Human Settlements.	To create human settlements that are economically viable, aesthetically pleasant, habitable and vibrant.	2,000,000	-	-
DPHS	HLP0169/2014	EXTERNAL LOANS	Provision of Infrastructure-new services	Infrastructure Backlogs-Upgrading and	To facilitate economic development that will	1,000,000	-	-

				expansion of existing infrastructure	result in sustainable job creation.			
DPHS	TWP0173/2015	NDPG	JBC to Osizweni Secondary Link Road (Phase 1)	Roads and Storm-Water.	To facilitate economic development that will result in sustainable job creation.	17,464,298	-	-
DPHS		NDPG	JBC to Osizweni Secondary Link Road (Phase 2)	Roads and Storm-Water.	To facilitate economic development that will result in sustainable job creation.	7,045,702	-	-
DPHS	TWP0172/2015	NDPG	JBC Urban Hub Walkways and Traffic Lights	Roads and Storm-Water.	To facilitate economic development that will result in sustainable job creation.	5,490,000	-	-
DIRECTORATE DESCRIPTION	IDP PROJECT NUMBER	FINANCE SOURCE DESCRIPTION	VOTE DESCRIPTION	IDP PRIORITIES	NLM STRATEGIC OBJECTIVES	DRAFT 2016/17	DRAFT 2017/18	DRAFT 2018/19
BUDGET AND TREASURY OFFICE								
FINANCIAL TREASURY SERVICES	FIN0016/2013	ASSET FINANCING RESERVE	UPGRADING OF STORES	N/A	To ensure effective and efficient administrative support services.	500,000	-	-
DIRECTORATE DESCRIPTION	IDP PROJECT NUMBER	FINANCE SOURCE DESCRIPTION	VOTE DESCRIPTION	IDP PRIORITIES	NLM STRATEGIC OBJECTIVES	DRAFT 2016/17	DRAFT 2017/18	DRAFT 2018/19
OFFICE OF THE MUNICIPAL MANAGER								
MUNICIPAL MANAGER	MUN0086/2015	ASSET FINANCING RESERVE	Civic center Network Design & Cabling	N/A	To ensure effective and efficient administrative support services.	2,400,000	-	-
MUNICIPAL MANAGER	MUN0092/2016	ASSET FINANCING RESERVE	Performance Management System (PMS)	N/A	To ensure good governance through openness, transparency and accountability in the organisation.	-	-	-
MUNICIPAL MANAGER	MUN0093/2016	ASSET FINANCING RESERVE	OFFICE EQUIPMENNT	N/A	To ensure effective and efficient	500,000	-	-

					administrative support services.			
DIRECTORATE DESCRIPTION	IDP PROJECT NUMBER	FINANCE SOURCE DESCRIPTION	Vote Description	IDP PRIORITIES	NLM STRATEGIC OBJECTIVES	DRAFT 2016/17	DRAFT 2017/18	DRAFT 2018/19
TECHNICAL SERVICES								
INFRASTRUCTURE CIVIL	WSN0177/2015	ASSET FINANCING RESERVE	Ablutions at sewage works	Infrastructure Backlogs- Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	-	1,000,000	1,000,000
INFRASTRUCTURE CIVIL	RDS0113/2013	ASSET FINANCING RESERVE	Construction of Watt Street	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	1,900,000	-	-
INFRASTRUCTURE CIVIL	RDS0187/2015	ASSET FINANCING RESERVE	Harthorn Extension	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	700,000	-	-
INFRASTRUCTURE CIVIL	RDS0103/2013	ASSET FINANCING RESERVE	Panorama Storm water	Infrastructure Backlogs- Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	3,500,000	-	-
INFRASTRUCTURE CIVIL	WSN0172/2015	ASSET FINANCING RESERVE	Portable tools and equipment	N/A	To ensure effective and efficient administrative support services.	200,000	-	-

INFRASTRUCTURE CIVIL	RDS0161/2014	ASSET FINANCING RESERVE	Purchasing of Two way radios	N/A	To ensure effective and efficient administrative support services.	-	2,500,000	-
INFRASTRUCTURE CIVIL		ASSET FINANCING RESERVE	TRAFFIC CALMING DEVICE: Madadeni	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	-	200,000	200,000
INFRASTRUCTURE CIVIL	RDS0159/2014	ASSET FINANCING RESERVE	TRAFFIC CALMING DEVICE: Newcastle West	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	-	200,000	200,000
INFRASTRUCTURE CIVIL	RDS0106/2013	ASSET FINANCING RESERVE	TRAFFIC CALMING DEVICE: Osizweni	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	-	200,000	200,000
INFRASTRUCTURE CIVIL	WSN0179/2016	ASSET FINANCING RESERVE	VIP Toilets (Ward 31, 30,8)	Infrastructure Backlogs- Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	650,000	550,000	-
INFRASTRUCTURE CIVIL	WSN0178/2015	ASSET FINANCING RESERVE	WATER STORAGE TANKS	Infrastructure Backlogs- Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle	400,000	2,000,000	-

					Municipality's jurisdiction.			
INFRASTRUCTURE CIVIL		MIG	Charlestown - Nek road	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	-	-	-
INFRASTRUCTURE CIVIL	WSN0128/2014	EXTERNAL LOANS	AC pipe replacement phase 1	Infrastructure Backlogs-Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	15,000,000	15,000,000	10,000,000
INFRASTRUCTURE CIVIL	WSN0120/2014	EXTERNAL LOANS	Bulk sewer Reticulation Siyahlala	Infrastructure Backlogs-Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	7,000,000	-	-
INFRASTRUCTURE CIVIL	RDS0138/2013	MIG	Construction of KwaMathukuza Road	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	1,345,613	-	-
INFRASTRUCTURE CIVIL	RDS0182/2015	MIG	Construction of OC 23	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	3,500,000	-	-

INFRASTRUCTURE CIVIL	WSN0107/2014	MIG	Stafford hill Sewer pump station phase 5	Infrastructure Backlogs- Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	2,864,512	-	-
INFRASTRUCTURE CIVIL			OB3, OB1, OB8	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	2,084,989	-	-
INFRASTRUCTURE CIVIL	RDS0139/2013	MIG	OB7, OB13, OB45	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	6,500,000	-	-
INFRASTRUCTURE CIVIL	WSN0125/2014	MIG	Blaauwbosch Bulk Water Project	Infrastructure Backlogs- Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	8,000,000	27,000,000	5,000,000
INFRASTRUCTURE CIVIL	WSN0120/2014	MIG	Bulk services Siyahlala	Infrastructure Backlogs- Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	20,000,000	600,000	-

INFRASTRUCTURE CIVIL		MIG	Construction – Nek Road	Roads and Storm- Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	3,500,000	-	-
INFRASTRUCTURE CIVIL	WSN0108/2013	MIG	JBC Sanitation Ward 12	Infrastructure Backlogs- Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	750,000	1,000,000	1,000,000
INFRASTRUCTURE CIVIL	WSN0108/2014	MIG	JBC Sanitation Ward 13	Infrastructure Backlogs- Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	700,000	1,000,000	1,000,000
INFRASTRUCTURE CIVIL	WSN0109/2013	MIG	JBC Sanitation Ward 15	Infrastructure Backlogs- Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	700,000	1,000,000	1,000,000
INFRASTRUCTURE CIVIL	WSN0110/2013	MIG	JBC Sanitation Ward 16	Infrastructure Backlogs- Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle	700,000	1,000,000	1,000,000

					Municipality's jurisdiction.			
INFRASTRUCTURE CIVIL	WSN0105/2013	MIG	JBC Sanitation Ward 18	Infrastructure Backlogs-Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	700,000	1,000,000	1,000,000
INFRASTRUCTURE CIVIL	WSN0106/2013	MIG	JBC Sanitation Ward 6	Infrastructure Backlogs-Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	700,000	1,000,000	1,000,000
INFRASTRUCTURE CIVIL	WSN0107/2013	MIG	JBC Sanitation Ward 7	Infrastructure Backlogs-Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	700,000	1,000,000	1,000,000
INFRASTRUCTURE CIVIL		MIG	JBC Sanitation Ward 8	Infrastructure Backlogs-Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	350,000	-	-
INFRASTRUCTURE CIVIL	WSN0112/2013	MIG	Madadeni WWTW (UPGRADE)	Infrastructure Backlogs-Upgrading and	To ensure the provision of appropriate sanitation	9,000,000	25,000,000	15,000,000

				Expansion of existing infrastructure.	and potable water to all households within Newcastle Municipality's jurisdiction.			
INFRASTRUCTURE CIVIL	WSN0117/2014	MIG	Provision of Basic Sanitation services to Charlestown	Infrastructure Backlogs-Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	700,000	800,000	900,000
INFRASTRUCTURE CIVIL	WSN0116/2014	MIG	Provision of Basic Sanitation services to Ingogo	Infrastructure Backlogs-Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	700,000	800,000	900,000
INFRASTRUCTURE CIVIL	WSN0115/2014	MIG	Provision of Basic Sanitation services to Normandien	Infrastructure Backlogs-Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	700,000	800,000	900,000
INFRASTRUCTURE CIVIL	RDS0171/2015	MIG	Sesiyabonga road extension	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	2,514,914	-	-

INFRASTRUCTURE CIVIL	????	MIG	Upgrade of Ngagane WWTW Phase1	Infrastructure Backlogs- Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	10,000,000	25,000,000	25,000,000
INFRASTRUCTURE CIVIL	WSN0102/2013	MIG	WCDM Madadeni	Infrastructure Backlogs- Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	1,000,000	1,000,000	-
INFRASTRUCTURE CIVIL	RDS0096/2013	MIG	Widening of Asiphephe Road and Rehabilitation of Asiphephe D	Roads and Storm- Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	10,971,003	-	-
INFRASTRUCTURE CIVIL	WSN0121/2014	MWIG	WCDM Osizweni	Infrastructure Backlogs- Upgrading and Expansion of existing infrastructure.	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdiction.	13,613,000	-	-
INFRASTRUCTURE CIVIL			Karbo Chem Protection Upgrade			2,000,000	-	-
INFRASTRUCTURE CIVIL		MIG	MA40, MA45	Roads and Storm- Water.	To ensure the provision and maintenance of safe roads and effective	4,205,468	-	-

					storm water infrastructure.			
INFRASTRUCTURE CIVIL		MIG	MC18	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	945,004	-	-
INFRASTRUCTURE CIVIL		MIG	MD55	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	1,831,202	-	-
INFRASTRUCTURE CIVIL		MIG	MD11	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	4,336,316	-	-
INFRASTRUCTURE CIVIL		MIG	MD20, MD22, MD24, MD34	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	6,1658,883	-	-
INFRASTRUCTURE CIVIL		MIG	ME30, ME33	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	5,982,358	-	-
INFRASTRUCTURE CIVIL		MIG	MP9	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective	2,025,751	-	-

					storm water infrastructure.			
INFRASTRUCTURE CIVIL		MIG	OA17	Roads and Storm-Water.	To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	1,142,985	-	-
DIRECTORATE DESCRIPTION	IDP PROJECT NUMBER	FINANCE SOURCE DESCRIPTION	Vote Description	IDP PRIORITIES	NLM STRATEGIC OBJECTIVES	DRAFT 2016/17	DRAFT 2017/18	DRAFT 2018/19
ELECTRICAL DEPARTMENT								
INFRASTRUCTURE ELECTR & MECH	ELC0215/2016	ASSET FINANCING RESERVE	132KV Links Sign & al Hill	Infrastructure backlogs- Upgrading and expansion of existing infrastructure.	To ensure access to electricity and other forms of energy where applicable.	2,000,000	1,500,000	-
INFRASTRUCTURE ELECTR & MECH	ELC0211/2015	ASSET FINANCING RESERVE	Geyser load Control J186:K201Upgrade	Infrastructure backlogs- Upgrading and expansion of existing infrastructure.	To ensure access to electricity and other forms of energy where applicable.	550,000.	20,000,000	-
INFRASTRUCTURE ELECTR & MECH	ELC0203/2014	ASSET FINANCING RESERVE	Mechanical workshop	Infrastructure backlogs- Upgrading and expansion of existing infrastructure.	To ensure access to electricity and other forms of energy where applicable.	-	4,000,000	-
INFRASTRUCTURE ELECTR & MECH	ELC0210/2015	ASSET FINANCING RESERVE	MV Transformer upgrade	Infrastructure backlogs- Upgrading and expansion of existing infrastructure.	To ensure access to electricity and other forms of energy where applicable.	-	6,000,000	-
INFRASTRUCTURE ELECTR & MECH	ELC0217/2016	ASSET FINANCING RESERVE	Network refurbishment	Infrastructure backlogs-	To ensure access to electricity and other	5,000,000	1,200,000	-

				Upgrading and expansion of existing infrastructure.	forms of energy where applicable.			
INFRASTRUCTURE ELECTR & MECH	ELC0213/2015	ASSET FINANCING RESERVE	Radio repeaters	Infrastructure backlogs- Upgrading and expansion of existing infrastructure.	To ensure access to electricity and other forms of energy where applicable.	-	-	-
INFRASTRUCTURE ELECTR & MECH	ELC0199/2014	ASSET FINANCING RESERVE	Service connections	Infrastructure backlogs- Upgrading and expansion of existing infrastructure.	To ensure access to electricity and other forms of energy where applicable.	4,000,000	-	-
INFRASTRUCTURE ELECTR & MECH	ELC0214/2015	ASSET FINANCING RESERVE	Siyahlala Upgrade	Infrastructure backlogs- Upgrading and expansion of existing infrastructure.	To ensure access to electricity and other forms of energy where applicable.	6,000,000	10,000,000	-
INFRASTRUCTURE ELECTR & MECH	ELC0209/2015	ASSET FINANCING RESERVE	Traffic lights	Infrastructure backlogs- Upgrading and expansion of existing infrastructure.	To ensure access to electricity and other forms of energy where applicable.	-	-	-
INFRASTRUCTURE ELECTR & MECH	ELC0201/2014	EEDSM	Building Energy Efficiency	Infrastructure backlogs- Upgrading and expansion of existing infrastructure.	To ensure access to electricity and other forms of energy where applicable.	2,000,000	2,000,000	-
INFRASTRUCTURE ELECTR & MECH	ELC0197/2014	INTERGRATED NATIONAL ELECTRIFICATION	Rural Electrification	Infrastructure backlogs- Upgrading and	To ensure access to electricity and other	8,500,000	10,000,000	-

				expansion of existing infrastructure.	forms of energy where applicable.			
INFRASTRUCTURE ELECTR & MECH	ELC0200/2014	EEDSM	Street Light LED Retrofit	Infrastructure backlogs- Upgrading and expansion of existing infrastructure.	To ensure access to electricity and other forms of energy where applicable.	5,000,000	5,000,000	-
INFRASTRUCTURE ELECTR & MECH	ELC0202/2014	EEDSM	Waste Water/Pump station Plant Energy Efficiency Pump	Infrastructure backlogs- Upgrading and expansion of existing infrastructure.	To ensure access to electricity and other forms of energy where applicable.	1,000,000	1,000,000	-
GRAND TOTAL:						237,508,500	194,200,000	77,726,00
GRANTS						177,493,500		
EXTERNAL LOANS						60,015,000		
						237,508,500		

5.4.2. OPERATIONS AND MAINTENANCE (O&M).

Table 78: Operational Budget.

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
Infrastructure		52 624	–	71 915	76 480	19 270	19 270	18 414	28 420	30 085
Infrastructure - Road transport		20 673	–	37 350	41 586	–	–	–	–	–
Roads, Pavements & Bridges		20 673		37 350	41 586			–	–	–
Storm water										
Infrastructure - Electricity		21 113	–	17 351	15 749	73	73	116	195	206

Generation										
Transmission & Reticulation		19 613		14 851	15 749	73	73	116	195	206
Street Lighting		1 500		2 500						
Infrastructure - Water		–	–	–	4 872	16 519	16 519	13 737	20 306	21 480
Dams & Reservoirs										
Water purification										
Reticulation					4 872	16 519	16 519	13 737	20 306	21 480
Infrastructure - Sanitation		10 737	–	16 356	12 239	–	–	–	–	–
Reticulation		10 737		16 356	12 239					
Sewerage purification										
Infrastructure - Other		100	–	858	2 034	2 678	2 678	4 561	7 920	8 399
Waste Management		100		130	120	147	147	184	219	224
Transportation	2									
Gas										
Other	3			728	1 914	2 531	2 531	4 377	7 700	8 175
Community		5 865	–	7 274	10 407	2 469	2 469	5 050	6 687	6 959
Parks & gardens		2 171		3 569	3 854	13	13	43	55	57
Sportsfields & stadia		1 348		902	980	885	885	809	816	816
Swimming pools				209	505	41	41	97	110	110
Community halls				1 439	2 526	299	299	373	501	529
Libraries				799	1 638	804	804	918	1 214	1 282
Recreational facilities		2 346		202	261	76	76	86	178	178
Fire, safety & emergency				13	596					
Security and policing										
Buses	7									
Clinics				77						
Museums & Art Galleries				65						
Cemeteries					5	351	351	404	721	721
Social rental housing	8									
Other					42			2 321	3 093	3 266
Heritage assets		–	–	4	531	10 328	10 328	–	–	–
Buildings					506	10 328	10 328			

Other	9			4	25	-	-			
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	16 065	-	388	388	30 980	42 634	44 651
General vehicles				253						
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment				5 366				20 945	29 763	31 420
Computers - hardware/equipment				-						
Furniture and other office equipment				2 853		328	328	465	624	644
Abattoirs				-						
Markets				-						
Civic Land and Buildings				222						
Other Buildings				6 722		59	59	9 569	12 247	12 587
Other Land				-						
Surplus Assets - (Investment or Inventory)				-						
Other				649						
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	1 954	2 620	2 767
Computers - software & programming								1 954	2 620	2 767
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	58 489	-	95 258	87 419	32 455	32 455	56 398	80 361	84 462
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										

Fire										
Conservancy										
Ambulances										
R&M as a % of PPE		2,7%	0,0%	2,5%	2,7%	0,8%	0,8%	1,4%	2,0%	2,0%
R&M as % Operating Expenditure		3,5%	0,0%	7,2%	4,8%	1,7%	1,7%	2,8%	3,9%	3,8%

5.4.3. SECTOR INVOLVEMENT.

5.4.3.1. DEPARTMENT OF EDUCATION.

Table 79: Department of Education Projects.

EMIS NO. 1	NAME OF SCHOOL	IMPLEMENTING AGENT	CATEGORY	SUB PROGRAMME	EXPENDITURE AS AT JULY 2015	2016/17 BUDGET
500268361	Sisizakele Primary School	DoPW	Upgrading and additions	Upgrades and additions	0	0
500190883	Bumbisizwe Special School	DoPW	Upgrades and additions	Learners with Special Educational Needs	1 735 767,00	35 862,00
500137899	Enkululekweni Primary School	DoPW	Upgrades and additions	Upgrades and additions	960 641,00	0
500156103	Hlanathi High School	DoPW	Refurbishment and rehabilitation	Repairs and renovations	0	0
500414659	Hlalunolwazi Primary School	Coega Development Corporation	Upgrades and additions	Upgrades and additions	53 484,00	0
500162726	Indonsa Primary School	Independent Development Trust	Upgrades and additions	Curriculum redress	864 369,00	0
500166648	Inverness Primary School	DoPW	Refurbishment and rehabilitation	Repairs and renovations	473 092,00	25 739,00
500166648	Inverness Primary School	DoPW	Refurbishment and rehabilitation	Repairs and renovations	51 710,00	0
500168091	Isikhalisezwe	Independent Development Trust	Upgrades and additions	Curriculum redress	189 069,00	0
500248307	Phendukani High School	Coega Development Trust	Upgrades and additions	Upgrades and additions	0	57 956,00
500257076	Sabela High School	DoPW	Refurbishment and rehabilitation	Repairs and renovations	0	0
500414585	Siphesihle Primary School	Coega Development Trust	Upgrades and additions	Upgrades and additions	683 201,00	844 525,00

500105598	St. Betrand's School	DoPW	Refurbishment and rehabilitation	Repairs and renovations	892 598,00	0
500285455	Tugela Special School	DoPW	Refurbishment and rehabilitation	Repairs and renovations	0	0
500343730	Vulindlela Primary School	DoPW	Upgrades and additions	Upgrades and additions	0	0
500337662	Vumanisabelo Special School	DoPW	Upgrades and additions	Learners with Special Educational Needs	0	0
500300588	Ziphakamiseni High School	Independent Development Trust	Upgrades and additions	Curriculum redress	185 547,00	0
500140193	Esididini Primary School	Coega Development Corporation	Upgrades and additions	Full Service Schools	3 928 948,00	794 968,00
500414548	Ezamakanya Primary School	DoPW	Upgrades and additions	Early Childhood Development	509 589,00	0
500155881	Hlabana Primary School	DoPW	Upgrades and additions	Early Childhood Development	1 348 914,00	0
500414659	Hlalunolwazi Primary School	DoPW	Upgrades and additions	Early Childhood Development	283 996,00	0
500173826	Khaselihle Primary School	DoPW	Upgrades and additions	Early Childhood Development	1 699 919,00	0
500175047	Khulakahle Primary School	DoPW	Upgrades and additions	Early Childhood Development	696 446,00	0
500212528	Mlamleli Primary School	Independent Development Trust	Independent Development Trust	Upgrades and additions	0	0
500212528	Mlamleli Primary School	DoPW	Upgrades and additions	Early Childhood Development	1 170 617,00	0
500213712	Mntimande Primary School	Independent Development Trust	Upgrades and additions	Early Childhood Development	0	0
500224109	Ndabanhle Primary School (Osizweni)	DoPW	Upgrades and additions	Early Childhood Development	346 490,00	0
500252488	Qedizaba Primary School	DoPW	Upgrades and additions	Early Childhood Development	871 323,00	0
500267880	Siphumelele Primary School	Coega Development Corporation	New Infrastructure Assets	New schools	6 070 685,00	2 928 085,00
500292966	Vukani Primary School	DoPW	Upgrades and additions	Early Childhood Development	976 973,00	0
500301439	Zuza Primary School	DoPW	Upgrades and additions	Early Childhood Development	449 225,00	26 690,00
500247530	Phambili Primary School	DoPW	Upgrades and additions	Early Childhood Development	42 134,00	39 597,00
500153106	Haig Combined School	Independent Development Trust	Upgrades and additions	Upgrades and additions	52 198,00	0

500269915	Siyamukela High School	DoPW	Refurbishment and rehabilitation	Repairs and renovations	0	71 250,00
500447552	Kadwa School	DoPW	Upgrades and additions	Upgrades and additions	0	6 715 313,00
500158434	Hope Combined School	Coega Development Corporation	Refurbishment and rehabilitation	Repairs and renovations	675 364,00	0
500163355	Ingogo Primary School	DoPW	Refurbishment and rehabilitation	Repairs and renovations	0	1 298 333,00
500221926	Mzamo High School	Independent Development Trust	New Infrastructure Assets	New Schools	170 389,00	9 133 429,00
500234173	Nokukhanya Primary School	DoPW	Upgrades and additions	Early Childhood Development	273 274,00	982 446,00
500246124	Panarama C	DoPW	Refurbishment and rehabilitation	Repairs and renovations	0	5 845 631,00
500268842	Sithobelumthetho SP	Independent Development Trust	Upgrades and additions	Upgrades and additions	0	4 095 301,00
500271136	Sizanani SS	DoPW	Refurbishment and Rehabilitation	Repairs and renovations	0	5 746 264,00
500298220	YWCA Special School	Coega Development Corporation	Upgrades and additions	Learners with Special Education	0	13 752 200,00
500318126	Zama S	Independent Development Trust	Upgrades and additions	Upgrades and additions	0	4 243 382,00
500499291	Celani P	DoPW	Upgrades and additions	Water and sanitation	0	82 441,00
500449291	Celani P	KZN DoE	New Infrastructure Assets	New Schools	0	3 420 000,00
500149332	Glencalder P	DoPW	Upgrades and additions	Electrification	0	380 000,00
500220520	Mullerspass Farm P	DoPW	Upgrades and additions	Electrification	0	380 000,00
500440041	Qhawelesizwe P/S	DoPW	Upgrades and additions	Electrification	0	380 000,00
500137159	Enhlokweni Primary School	DoPW	Refurbishment and rehabilitation	Repairs and renovations	0	500 000,00
500162726	Indonsa Secondary School	DoPW	Refurbishment and rehabilitation	Repairs and renovations	0	1 000 000,00
500186961	Lingani Primary School	DoPW	Refurbishment and rehabilitation	Repairs and renovations	0	200 000,00
500230473	Nhlosokuhle S	DoPW	Refurbishment and rehabilitation	Repairs and renovations	0	800 000,00
500269915	Siyamukela High School	DoPW	Upgrades and additions	Water and sanitation	0	1 808 625,00

500303770	Sizamokuhle Primary School	DoPW	Refurbishment and rehabilitation	Repairs and renovations	0	400 000,00
500271765	Sizwe Primary School	DoPW	Refurbishment and rehabilitation	Repairs and renovations	0	400 000,00
500297813	Xolani High School	DoPW	Refurbishment and rehabilitation	Repairs and renovations	0	200 000,00
500299626	Zibambeleni S	DoPW	Refurbishment and rehabilitation	Repairs and renovations	0	200 000,00
TOTAL:					25 655 962,00	66 788 037,00

5.4.3.2. DEPARTMENT OF TRANSPORT

Table 80: Department of Transport Projects

PROJECT NAME	ACTIVITIES	START (km)	End (km)	2016/17 BUDGET
2034 – Widening of Ngagane River bridge	Upgrading Structures	N/A	N/A	2 000 000,00
2034 – Widening of Ngagane River bridge	Upgrading Structures	N/A	N/A	1 000 000,00
2133 – Widening of Railway bridge	Upgrading Structures	N/A	N/A	2 000 000,00
2133 – Widening of Railway bridge	Upgrading Structures	N/A	N/A	1 000 000,00
Capacity improvement P483 (Phase 1 Sec 1&2)	Upgrading Roads	0	19,5	1 000 000,00
Capacity improvement P483 (Road Phase 1 Sec 1)	Upgrading Roads	0	7,1	10 127 475,00
Resealing of P210	Reseal	0	8,1	5 589 000,00
TOTAL:				22 716 475,00

5.4.3.3. DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS.

Table 81: Department of Economic Development, Tourism and Environmental Affairs.

PROJECT NAME	PROJECT IMPLEMENTERS	JOBS CREATED	YEAR OF IMPLEMENTATION	2015/16 BUDGET
4 play parks in disadvantaged areas	Black Diamonds	129	2015/16	12 000 000,00
Recycling/buy-back centre	Dudula Environmental Consultant	91	2015/16	7 000 000,00
Youth jobs in waste	Khabokedi Waste Management	18	2015/16	Provincial Budget
TOTAL:				19 000 000,00

5.4.3.4. HUMAN SETTLEMENTS.

Table 82: Sustainable Human Settlement Projects.

No.	Project Name	Ward	Project Value/ Budget	Total Units/ Total Contractual Target	Implementing Agent	Time Frame/ Project Period
1	Osizweni E Phase 2	9	R 96 556 320.00	1 240	Lekwa Consulting Engineers	2012-2017
2	Osizweni E Phase 3	9	R 13 601 000.00	643	Amehlo Aluhlaza (implementing Agents) and Abaphumeleli (Main Contrasctor)	2012-2017
3	Khathide Phase 2	6/12	R 157 092 350.00	2 000	Siyamthanda Projects	2012 – 2017
4	Emawozeni Housing Project	30	R 11 476 638.15	148	Moteko Construction	2014 – 2015
5	Madadeni H39 Housing Project	19	R 69 302 520.00	897	Mageba Projects	2013 – 2017
6	Siyahlal-la Housing Projects	25	R 93 411 600.00	1 200	UmpHEME Development	2013 – 2018
7	Madadeni Storm Damage Houses	22/23	-	650	Mageba Projects	2014 – 2017
8	Charlestown Housing Project	1	R 116 802 000.00	1 500	Dove call Properties	2012 – 2018
9	Emawozeni Housing Project	30	R 7 786 800.00	100	Moteko Construction	2014 – 2016
10	JBC Phase 1 Housing Project	12/15/16/ 18	R 156 592 548.00	2 011	Moteko Construction	2014 – 2018
11	JBC Phase 2 and 3 Housing Project	12/15/16/ 18	-	7 500	Moteko Construction	2014
12	Madadeni Storm Damage Houses- Repair of Roofs	22/23/24/ 26/28	-	1 850	-	2014
13	Soul City/ Stafford Hill Housing Project	31	-	3 500	-	2014
14	Vezokuhle/ Roy point Housing Project	21	-	900	-	2014
15	Dry cut Rural Housing Project	12	-	1 000	-	2014
16	KwaMathukuza Extension	20	-	200	-	2014
17	Soul city Madadeni Section 3	20	-	60	-	2015
18	JBC Mining Rehabilitation Project- 85 affected Houses	16/18	-	85	-	2015
19	Ingogo Farm	1	-	1 000	-	2016

20	Normandien	1	-	300	-	2016
21	Bosworth Farm	21	-	1 200	-	2016
22	Wykom	1	-	100	-	2016
23	Amajuba Forest	1	-	800	-	2016
24	Kilbarchan Settlement	21	-	200	-	2016
26	Mndoza Extension Rural Housing Project	7	-	500	-	2015

SECTION 6: FINANCIAL PLAN

6. FINANCIAL PLAN.

To achieve delivery on the IDP goals, focus areas and objectives, it is essential to align the municipality budget with the strategy. Sections below expand on aspects of the Newcastle Municipality's medium term financial planning and the extent to which it is possible to align the budget to all priorities of the wards, given our financial constraints and the need to concentrate on basis service delivery.

The long-term financial viability of municipalities depends largely on:

- ☛ The extent to which improved and sustainable revenue capacity can be achieved.
- ☛ Sound financial management of its resources.

These imperatives necessitate proper multi-year financial planning. Future impacts of revenue and expenditure streams and the financial implications for the community (i.e. the potential influence on rates, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions, programs, projects and sundry service delivery actions.

The following are significant results of our analysis on the Municipality's Financial Performance, Financial Position, and Cash Flows & Organisation Environment.

6.1.1. OPERATIONAL BUDGET ESTIMATES.

A municipality is a non-profit organization and it should break even after contributing to the different funds and reserves and meeting normal operating expenses. With the structuring of rates and tariffs both the user-pay principal and full cost recovery are applied. However, reliance is placed on economic and trading services to fund the "Rate- and General Services".

6.1.2. FINANCIAL POSITION.

6.1.2.1. ASSETS.

The municipality has an investment of over R3, 3 Billion in assets. As evident from the table below, this investment has sharply increased in the last financial year. Although the big chunk of this increase was as a result of revaluation of assets and reversal of impairment of Investment in UThukela Water, it is worth mentioning that we have invested an amount of R152 Million in Infrastructure and other movable assets, which is a good indicator as it allows the municipality to have capacity to render service delivery to communities, that we serve.

It is disconcerting to note however that other debtors and carrying value of consumer debtors have increased by 190% and 365% respectively, from 2009 to 2012, as it may have a negative impact on our liquidity position if not managed. We cannot overemphasize the need to embark on a vigorous debt recovery drive to curb the situation from deteriorating further. The table below provides an overview of municipal assets trends during the past 4 years:

Table 46: Municipal Assets

Item	2015	2014	2013	2012
Assets	3 325 479 190	2 993 115 025	2 595 626 608	2 131 961 638
Property, Plant & Equipment	1 333 766 525	1 334 588 185	1 353 243 682	1 479 963 664
Cash & cash equivalents	432 295 517	381 792 756	422 120 521	366 053 927
Investment Property	150 706 493	165 566 900	165 566 900	162 998 936
Intangible Asset	637 531	700 516	325 370	
Current portion of receivables	6 020 650	27 390 265	30 157 455	19 773 698
Investments in Associate	982 936 283	980 845 685	458 647 828	
Long-Term Receivables		3 963 941	13 681 749	25 178 710
Vat	2 320 461	16 822 449	9 685 711	-
Inventory	7 147 616	5 977 810	6 305 437	5 353 830
Consumer Debtors	353 969 979	79 841 843	112 266 674	76 082 632
Other Debtors	47 141 281	104 704 656	23 625 281	16 329 939

For the sake of clarity we deemed it necessary to unpack these assets as follows:

6.1.2.2. PROPERTY, PLANT AND EQUIPMENT.

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- are expected to be used during more than one reporting period.

The municipality has significantly invested in assets which augur well for service delivery. Assets increased by 16% from 2009 to 2012. Property, Plant and Equipment represents 38% of the capital structure of the municipality.

6.1.2.3. CASH AND CASH EQUIVALENTS.

Cash includes cash on hand and cash invested with banks. Cash and cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts. The municipality has achieved 18% increase in cash and cash equivalents from 2009 to 2012, which means that we have remained liquid and thus not experiencing cash flow or financial viability problem. Cash and Cash Equivalents represent 13% of the capital structure of the municipality.

6.1.2.4. INVESTMENT IN PROPERTY.

Investment property is Property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes, or
- sale in the ordinary course of operations.

Investment Property represents 4% of the capital structure of the municipality. Most of Investment Property is vacant land which means the municipality has adequate potential to facilitate development, which bode well for our future revenue growth.

6.1.2.5. INVESTMENT IN ASSOCIATE.

Investment in Associate represents our 34% stake in UThukela Water. The investment increased from R 458 647 828 in 2010 to R 982 936 283 in 2012. This represents 114% increase which is a good indicator.

6.1.2.6. CONSUMER DEBTORS.

Amounts billed to consumers, net of the provision for bad debts. The Municipality has provided for R443, 7 Million as bad debts in 2012 which may impose significant strain on our liquidity position in the future if not urgently managed. However, it should be noted the doubtful debt provision was revised from R611 million in 2011 to R443, 7 million in 2012, after risk profiling exercise which was conducted by an independent ICT company revealed that consumer debtors valued at R362, 5 can be recovered. However, as we alluded to earlier in

this report, it is imperative for the municipality to embark in a vigorous debt collection exercise, in order to improve our liquidity position.

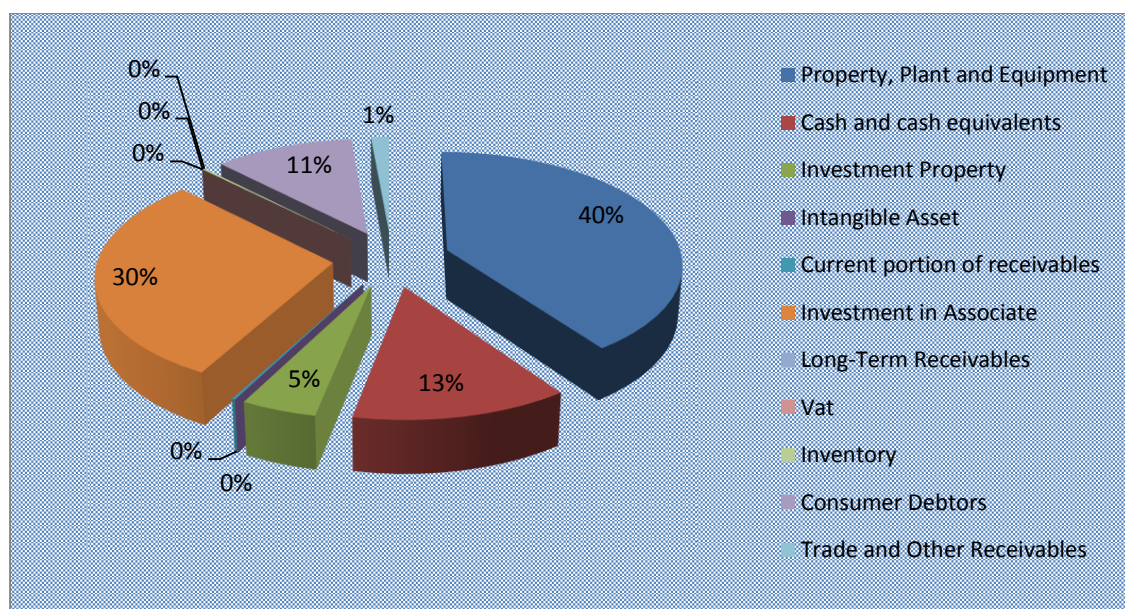
6.1.2.7. OTHER DEBTORS.

Amounts owed by levy-payers, financial institutions in respect of interest on investments and sundry debtors; could also include deposits made by the municipality. The R47 Million sitting on Other Debtors will have a negative impact on future financial viability of the Municipality if do not embark on a vigorous debt collection drive.

- ☛ Long Term Receivables: Receivables that is not receivable over the next 12 months.
- ☛ Current Portion of Receivables: Amounts that will be recoverable from long-term debtors within the next 12 months.
- ☛ Vat Receivable: Net VAT recoverable from SARS. If income tax is recoverable, together with VAT, these amounts will be disclosed as “taxes” on the Statement of Financial Position.
- ☛ Inventory: Consumable, net of obsolescence provision.

The Proportionate contributions to the asset base of the municipality are as follows:

Figure 36: Municipal Assets



This suggests that the relative importance of Call Investment Deposits, Property, Plant and Equipment, Investment Property, Consumer Debtors and Investment in Associate.

6.1.3. LIABILITIES.

The liabilities of the Municipality are just in excess of R389 Million as reflected below. Clearly the Municipality has growing concern with assets in excess of liabilities even before the effects of a change in accounting policy for property, plant and equipment.

Figure 37: Liabilities

Line Item	2012	2011	2010	2009
Liabilities	389 078 560	284 062 465	350 186 853	308 260 309
Long-Term Liabilities	60 196 100	48 517 986	78 267 121	71 387 341
Non-current provision for landfill site	22 494 322	50 765 425	50 765 425	64 755 606
Non-current provisions: plan obligations	77 822 236	68 960 000	53 301 147	
Consumer Deposits	8 582 232	9 983 442	10 038 525	10 318 099
Current Provisions	3 586 643	906 398	2 324 506	3 360 357
Unspent Conditional Grants and Receipts	78 695 500	30 306 940	49 778 808	57 943 451
Finance Lease Obligation	385 534			
VAT		-	-	31 488 564
Current Portion of Long-Term Liabilities	8 253 375	9 219 495	6 689 518	6 780 397
Trade and other payables	129 062 618	72 664 988	99 021 803	62226494

For the sake of clarity we deemed it necessary to unpack these liabilities further as follows:

6.1.3.1. LONG-TERM LIABILITIES.

These are external loans that are not repayable over the next 12 months. The Long Term Liabilities have increased from R48 517 986 to R58 666 166 which is 21% increase. The increase is due to additional loans we obtained from DBSA to augment our infrastructure.

6.1.3.2. NON-CURRENT PROVISION FOR LANDFILL SITE.

In terms of the licensing of the landfill refuse site, council will incur rehabilitation costs of R 22, 4 million to restore the site at the end of its useful life, estimated to be in 2017 by our engineers. Provision has been made for the net present value of this cost using the average cost of borrowing interest rate. The municipality need to make a provision R22, 4 million to rehabilitate the site.

6.1.3.3. CONSUMER DEPOSITS.

Deposits held in lieu of providing municipal services on credit.

6.1.3.4. NON-CURRENT PROVISIONS: PLAN OBLIGATIONS.

The municipality provides retirement benefits for its employees and councillors. This means if the Retirement Fund should get liquidated, the municipality will be required to fulfil the obligation to retired employees and councillors.

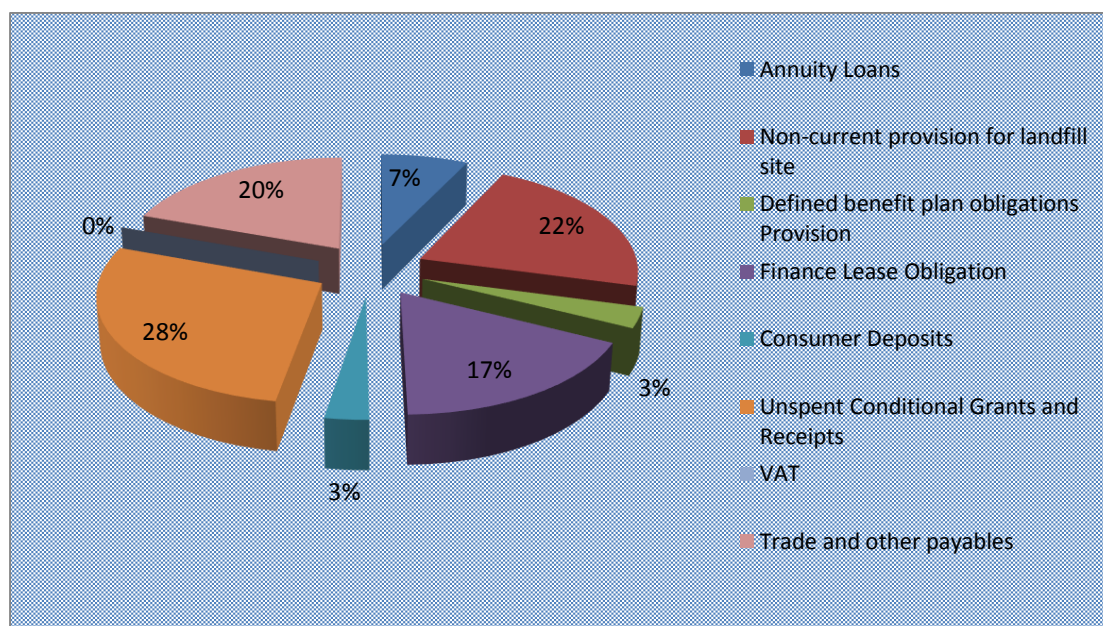
6.1.3.5. UNSPENT CONDITIONAL GRANTS.

These are conditional grants from other spheres of government. These amounts represent the obligation of the municipality to comply with the conditions of the grant. If the municipality fails to fulfil the obligations, we will be required repay the money to the National Revenue Fund.

6.1.3.6. TRADE AND OTHER PAYABLES.

Trade creditors, staff leave accrual and payments received in advance which represent amounts invoiced or received by the Municipality where services still have to be rendered. These are obligations which the Municipality will be required to fulfil in the future. The proportionate share of individual liabilities to total liabilities is as per the diagram below:

Figure 38: Trade-in Payables



6.1.4. SOLVENCY.

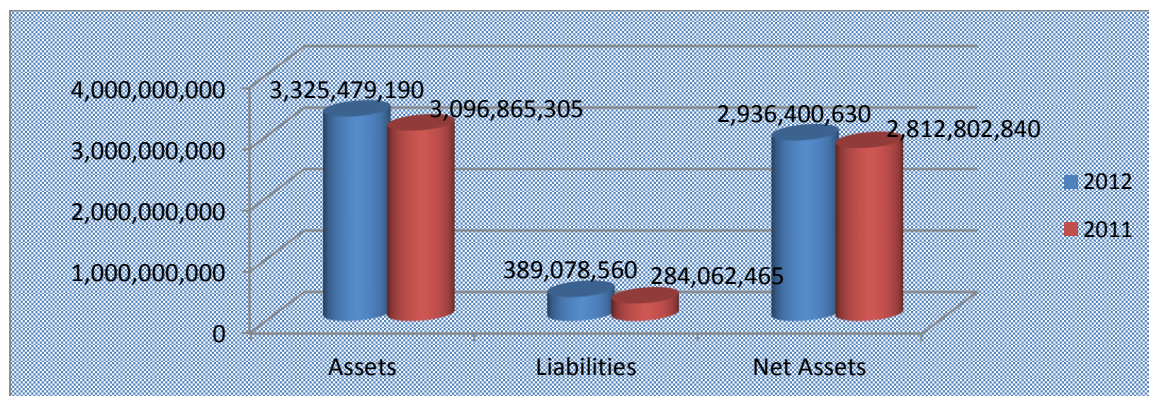
The entity remains solvent with total assets in excess of total liabilities. This is a comforting scenario, as the municipality continues to invest in assets. During the year under review an amount of R152 million was invested in assets. As outlined in the table below, the solvency position (ratio of assets to liabilities) of the municipality has systematically improved from 6.92 in 2009 to 8.44 in 2012 which means that the municipality has healthy balance sheet, which is encouraging. The table below illustrates our solvency situation for the 4 years being analysed:

Table 47: Solvency Situation

Item	2012	2011	2010	2009
Assets	3 325 479 190	3 096 865 305	2 595 626 608	2 131 961 638
Liabilities	389 078 560	284 062 465	350 186 853	308 260 309
Net Assets	2 936 400 630	2 812 802 840	2 245 439 755	1 823 701 329
Ratio	8.55	10.90	7.41	6.92

The graph below illustrates our solvency ratio analysis:

Figure 39: Solvency Ratio Analysis



Although the above scenario is comforting, we are planning to conduct testing assets for impairment or put differently, undertaking condition assessment of roads infrastructure assets. One hopes that the carrying values of assets and liabilities at balance sheet dates, particularly in 2013 year end, closely resemble the recoverable amounts as this would have dire consequences on the solvency of the organization in the future.

6.1.5. LIQUIDITY.

As evident from the table below, the capacity of the Municipality to fulfil its short term obligations has systematically improved. As depicted on the graph below the liquidity has moved from healthy 2.81 (ratio of current assets to current liabilities) in 2009 to even healthier 3.60 in 2012. The net result is that the Municipality can service its short term commitments, which is a good indicator.

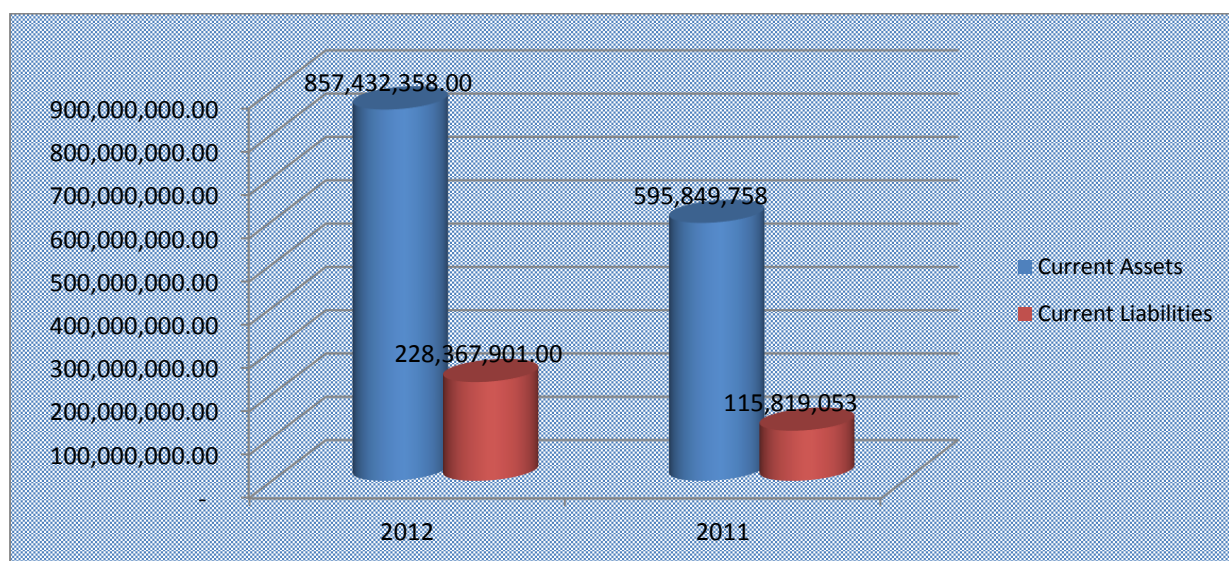
However, on analysis of the ageing of debtors as presented on the financial statements, we noted further that there is a significant debts amounting to R445 042 197 that are due for over 365 days. The general state of the ageing of debts is a cause for concern. We would place a high risk on the collection of these amounts which puts an even greater strain on the liquidity position of the municipality. Concerted efforts are necessary to augment debt collection strategies in order to ensure that the municipality remains financially viable in a long term. The table below highlights our liquidity position for the 2009, 2010, 2011 and 2012 financial years:

Table 48: Liquidity Ratio

Item	2012 (R)	2011 (R)	2010 (R)	2009 (R)
Current Assets	857 432 358	595 849 758	604 161 079	483 594 030
Current Liabilities	228 367 901	115 819 053	167 853 200	172 117 362
Ratio	3.75	5.14	3.60	2.81

The graph below further illustrates our liquidity situation:

Figure 40: Liquidity Ratio



6.1.6. CASH FLOWS.

The analysis below has been made from the cash flow statement presented on the annual reports for the years under scrutiny. The table below depicts the cash flow analysis of the municipality from the past 4 year's cash flows:

Table 49: Cash Flows.

Item	2015	2014	2013	2012
Net Cash from Operating Activities	178 122 654	654 266 273	512 953 010	138 675 844
Net Cash from Investing Activities	-108 676 233	-729 108 130	-105 812 591	-167 545 409
Net Cash from Financing Activities	-18 707 580	34 514 093	6 509 327	20 099 229
Cash & Cash equivalents at the end of the year	432 266 598	381 792 757	422 120 521	366 053 927
Increase/(decrease)	13%	-(0.10)	0.15	0.49

As evident from the table above, the municipality has been enjoying positive cash flows from its operations of 55% from 2009 to 2012, save for slight decline of 10% in 2011. From our analysis, substantial amount of cash has been utilized in the investment in property, plant and equipment, which is a good indicator. The financing situation for the Municipality has been positive.

HIGH LEVEL MTREF DRAFT BUDGET 2016/17 - 2018/19				
FINANCIAL PERFORMANCE CLASSIFICATION	FULL YEAR BUDGET	ADJUSTMENT BUDGET 15/16	PROPOSED DRAFT BUDGET 16/17	PROPOSED DRAFT BUDGET 16/17 CASH FLOW
OPERATIONAL REVENUE BY SOURCE				
PROPERTY RATES	-249 640 248,00	-240 500 000,00	-256 072 025,00	-209 979 060,50
SERVICE: ELECTRICITY	-651 979 658,00	-651 707 938,42	-712 968 484,63	-598 893 527,09
SERVICE: WATER	-164 476 704,00	-172 646 453,83	-184 731 705,60	-151 479 998,59
SERVICE: SEWERAGE	-95 859 645,00	-96 142 976,56	-102 872 984,92	-84 355 847,63
SERVICE: REFUSE	-78 850 143,00	-77 963 559,02	-83 421 008,15	-68 405 226,68
RENTAL	-7 126 357,00	-6 715 244,00	-7 326 268,40	-5 997 283,31
INTEREST: EXTERNAL INVESTMENT	-12 000 000,00	-9 270 000,00	-4 000 000,00	-4 000 000,00
INTEREST:OUTSTANDING DEBTORS	-8 700 049,00	-5 700 000,00	-6 099 000,00	-1 219 800,00
FINES	-3 109 928,00	-5 145 600,00	-7 660 160,00	-3 830 080,00
LICENCES	-12 975,00	-11 100,00	-12 210,00	-12 210,00
TRANSFERS RECOGNISED	-307 989 999,00	-317 931 271,97	-325 438 028,30	-325 438 028,30
OTHER REVENUE	-11 146 702,00	-17 338 981,00	-19 072 222,90	-19 072 222,90
GRAND TOTAL	-1 590 892 408,00	-1 601 073 124,80	-1 709 674 097,90	-1 472 683 285,01
OPERATIONAL EXPENDITURE PER ITEM				
EMPLOYEE RELATED COSTS	442 461 046,00	446 856 622,70	496 632 588,93	471 800 959,48
COUNCILLORS REMUNERATION	19 208 130,00	19 439 689,90	21 022 584,28	21 022 584,28
DEBT IMPAIRMENT	102 307 895,00	102 307 895,00	61 006 704,68	-
DEPRECIATION	247 951 555,00	311 728 636,00	330 120 626,00	-
FINANCE CHARGES	27 104 605,00	53 691 738,63	53 912 161,75	53 912 161,75
TRANSFERS & GRANTS	82 400 320,00	76 632 297,60	96 098 483,85	-

BULK PURCHASES	476 096 000,00	457 000 000,00	527 710 000,00	527 710 000,00
OTHER MATERIAL	2 880 828,00	2 336 388,32	3 140 256,87	2 983 244,03
OTHER EXPENDITURE	174 567 794,00	174 331 605,54	150 220 908,18	142 709 862,77
CONSULTANTS FEES	29 927 695,00	44 896 283,00	32 497 500,00	30 872 625,00
COLLECTION FEES	13 684 482,00	18 100 000,00	19 186 000,00	19 186 000,00
AGENT FEES	82 021 858,00	81 541 858,00	89 404 044,00	89 404 044,00
REPAIRS AND MAINTENANCE	109 316 570,00	87 065 863,10	90 699 001,97	86 164 051,87
DEPARTMENTAL CHARGES	31 488 919,00	26 966 462,03	25 269 815,83	17 688 871,08
GRAND TOTAL	1 841 417 697,00	1 902 895 339,82	1 996 920 676,34	1 463 454 404,26
SURPLUS/DEFICIT	250 525 289,00	301 822 215,02	287 246 578,44	-9 228 880,75

6.1.7. CAPITAL BUDGET ESTIMATES.

Table 51: Capital Budget Estimates

DEPARTMENT	2013/2014 BUDGET	2014/2015 Forecast	2015/2016 Forecast
Corporate Services	114 050 000.00	101 950 000.00	51 000 000.00
Community Services	56 395 000.00	25 800 000.00	12 100 000.00
Budget and Treasury	3 730 000.00	-	-
Development Planning and Human Settlements	20 687 000.00	-	-
Technical Services	214 837 000.00	266 529 000.00	150 550 000.00
Total Capital Expenditure	409 699 000.00	394 279 000.00	213 650 000.00

6.1.8. FUNDING SOURCES.

Table 52: Sources of Funding

Funding Sources	2013/2014 DRAFT BUDGET	2014/2015 DRAFT BUDGET	2015/2016 DRAFT BUDGET
External Loans	162 400 000.00	11 400 000.00	1 000 000.00
Asset Financing Reserve	110 799 000.00	201 989 000.00	111 950 000.00
Grants	136 500 00.00	180 890 000.00	100 700 000.00
Total Funding Sources	409 699 000.00	394890 000.00	213 650 000.00

6.1.9. 10 POINT DEBT MANAGEMENT PLAN.

NO.	PROGRAM		ACTION
1	Debt collection campaign	1.1	Appointment of Field Workers
		1.2	Clarify roles and responsibilities of field workers
			* identify who is staying where
			* compare collected data with financial system
		1.3	"Friendly "legal process - develop action plan
2	Quick fix debtors	2.1	Outstanding accounts with no queries to be forwarded to the respective consumers for making necessary payment arrangements
		2.2	Investigate the possible use of call-centre for debt collection purposes
		2.3	Progress reports on government debtors
		2.4	Progress reports on staff and councillors debt
		2.5	Identify section 21 schools and address collections
3	Institutional capacity	3.1	Identify additional staff requirements for debt management holistically and communicate with COO
4	Debt Manager/Service Provider	4.1	Options in respect of Debt Management service
5	Meter Reading/Billing	5.1	Investigate use of the service provider for meter readings compared to performing in-house
		5.2	Fast track installation of water meters
		5.3	Monitor accuracy of readings (monthly deviations)
		5.4	Integrity of tariffs on accounts
		5.5	Investigate the use of meter readers to also deliver accounts
		5.6	Develop internal control for quality assurance on the delivery of accounts

NO.	PROGRAM		ACTION
		5.7	Investigate E-account option for delivery of accounts
		5.8	Install water restrictors
6	Data Cleansing	6.1	Indigent Verification
		6.2	Phased approach (Priority areas) for data cleansing
7	Training	7.1	Capacitate staff and field workers
8	Marketing and Communication	8.1	Develop marketing and communication strategy
			* posters, radio, newsletter, schools etc.
			* Education of community to check water consumption on account to meters, home relocations, submission of changed details.
9	Incentives/Tokens of appreciation	9.1	Incentive Scheme - staggered approach to promote culture of payment - policy proposal to Council
			<i>*Pay for 12 months without default - 25% debt written off</i>
			<i>*Pay for 24 months without default - further 25% debt written off</i>
			<i>*Pay for 36 months without default - remainder 50% written off</i>
		9.2	Develop Plan for tokens of appreciation (Bigen to consider sponsoring) viz. pens, t-shirts, caps etc.
10	Revenue enhancement Strategies	10.1	Review Revenue enhancement strategies

6.1.10. FINANCIAL MANAGEMENT ARRANGEMENTS.

For the effective and efficient financial management of the municipality, all role-players, inclusive of the Municipal Councillors, must provide an environment conducive to good management. Local Government legislation and National Treasury circulars articulate and provide regulatory structure. Council and officials define this environment by developing and accepting policy guidelines to govern financial decision-making.

The management arrangements of Newcastle Municipality are reflected in the following policy documents:

DOCUMENT	PURPOSE	STATUS
Credit Control and Debt Collection Policy	<ul style="list-style-type: none"> To establish consolidated, sound and practically executable credit control measures to be applied in respect of all property owners and consumers. To regulate the actions pertaining to arrear accounts, including extensions granted, written arrangements to pay-off arrears, the monitoring thereof and legal actions associated with unpaid accounts. 	In place.
Indigent Policy	To subsidise indigent households with income level of R3 000.00 enabling them to pay for a basic package of municipal services.	In place.
Debt Write off Policy	To provide a framework for the writing off of irrecoverable debt, in order to ensure that Council is in a position where it is not carrying debt which has prescribed or which is irrecoverable on its books.	In place.

DOCUMENT	PURPOSE	STATUS
Tariff Policy	To provide a framework to determine rates and tariffs to finance expenditure.	In place.
Rates Policy	To ensure that all the stipulation of the Municipal Property Rates Act are effected administratively and also lay-out and stipulate all the requirements for rebates for all qualifying property owners.	In place.
Supply Chain Management Policy	To provide a system of procurement that gives effect to the principles of: <ul style="list-style-type: none"> • Fairness; • Equity; • Transparency; • Competitiveness; and • Cost effectiveness. 	In place.
Investment Policy	To regulate and provide directives in respect of the investment of funds.	In place.
Borrowing Policy	To establish a borrowing framework policy for the Municipality and set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds	In place.
Asset Management Policy	To ensure that all aspects of assets from acquisition to disposal are met.	In place.
Budget Policy	The policy set out the budgeting principles which Newcastle Municipality will follow in preparing each annual budget. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustment budgets. The framework for virements is also explained in the Virement Policy.	In place.
Funding and Reserve Policy	The policy provides a framework to ensure that the annual budget of Newcastle Municipality is fully funded and that all funds and reserves are maintained at the required level to avoid future year non cash backed liabilities. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework.	

6.1.11. FINANCIAL STRATEGIES AND PROGRAMS.

The optimal use of available resources, the maximum raising of revenue and the sustainable delivery of services are the key elements to a successful financial strategy. The Municipality has developed and implemented the following key strategies in this regard:

STRATEGY	CURRENTLY IN PLACE
Revenue raising strategies	<ul style="list-style-type: none"> • To ensure optimum billing for services rendered and cash collection. • To ensure effective credit control and debt reduction – Turn point plan. • In the structuring of tariffs, continue with user-pay principal and full cost recovery. • Revaluation of all properties as per the Municipal Property Rates Act, at market related values. • To bring pre-payment meter vending points within close proximity of all consumers. • To introduce easy pay method.
Asset Management Strategies	<ul style="list-style-type: none"> • Completed process of unbundling of all infrastructure assets and compiling a new improved asset register. • Conducting full audit of all assets of the municipality. • To improve overall management of fixed assets.
Financial Management Strategies	<ul style="list-style-type: none"> • Continued cash flow management.
Capital financing strategies	<ul style="list-style-type: none"> • Continued sustainable use of Own Financial Resources. • Use of bulk service contributions to fund extensions. • Accessing national and provincial funding through proper request, business plans and motivations. • Leveraging of private finance.
Operational financing strategies	<ul style="list-style-type: none"> • To introduce free basic services within the limits of affordability. • Implementation of proper tariff structures for all the services. • “Economic”- and “Trading Services” being cost effective.
Strategies that would enhance cost-effectiveness	<ul style="list-style-type: none"> • Investigation into possibilities for utilising new technology to save costs. • Implementation of new systems/equipment acquired to address capacity shortages. • Implementation of electronic bank reconciliation.

SECTION 7: ANNUAL OPERATIONAL PLAN

7. ANNUAL OPERATIONAL PLAN

7.1. ORGANISATIONAL SCORE CARD.

NEWCASTLE MUNICIPALITY													
ORGANISATIONAL SCORECARD 2016/17													
KEY PERFORMANCE AREA: INSTITUTIONAL TRANSFORMATION AND CORPORATE DEVELOPMENT.													
BACK TO BASICS PROGRAMME - BUILDING INSTITUTIONAL CAPACITY													
IDP													
OUTCOME 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	Baseline	Source of Evidence	KPI No.:	KEY PERFORMANCE INDICATOR	2014*15			Responsible	
									ANNUAL TARGET	2015/16	2016/17		
OUTPUT6: Administration and Financial Capability	IT1	To ensure the optimal institutional structure to render effective And efficient services aligned to the IDP.	IT1.1	To provide efficient and Effective general administrative support services.	14 days	Summary report signed of by SED/ Director	IT1.1.1	Average turnaround time for the filling of a vacancy.	42 days	14 days	14 days	SED: Corporate Services	CORP021
			IT1.2	Implementation and review of the Organogram with adequate capacity.	100%	EAP Register	IT1.2.1	% of employees assisted/consulted as requested.	100%	100%	100%	SED: Corporate Services	CORP015
					NIL	Placement Register & Report/ Minutes of Placement Committee meetings	IT1.2.2	%age completion of Placements as per revised Organisational structure	100%	100%	N/A	Municipal Manager	MM001
					0	Job Description File	IT1.2.3	Number of departments with reviewed job descriptions	7	7	7	SED: Corporate Services	CORP016
					100%	Appointment letters	IT1.2.4	% of critical posts filled as identified and approved by Municipal Manager (as budgeted).	100%	100%	100%	SED: Corporate Services	CORP018
					1579	Payroll register	IT1.2.5	Number of posts filled as budgeted	1678	1678	1678	SED: Corporate Services	CORP020
					45%	Budget Printouts	IT1.2.6	% of Municipal budget actually spent on implementing its workplace skills plan.	(7 878 640)100%	100%	100%	SED: Corporate Services	CORP024

					Submitted EEP by 01 October	Acknowledgement of receipt from Department of Labour	IT1.2.7	Compliance with submission of Employment Equity Report by 01 October	Compliance with submission of Employment Equity Report by 01 October	Submission of Employment Equity Report by 01 October 2015	Compliance with submission of Employment Equity Report by 01 October	SED: Corporate Services	CORP022
					20	Appointment letters	IT1.2.8	Number of people from employment equity target groups employed in the three highest levels of management	23	23	23	SED: Corporate Services	CORP023
					1per department	Attendance registers/ minutes of meetings/invitations	IT1.3.1	Number of knowledge sharing meeting arranged	2	6	7	ALL SED's	BTO010, CORP010, DPHS10, EM010, TECH11, MM054
					IT1.3	To develop, plan and participate in knowledge Sharing with other municipalities.							
OUTPUT6: Administration and Financial Capability	IT2	To ensure productive and competent human capital	IT2.1	To facilitate Human resource development.	WSP submitted to LGSETA on the 30 April 2015	Receipt of Postage to LGSETA / Acknowledgment from LGSETA of WSP and ATR	IT2.1.1	Successful submission of the WSP to LGSETA by 30 April	Submit WSP to LGSETA by 30 April 2015	Submit WSP to LGSETA by 30 April 2016	Submit WSP to LGSETA by 30 April 2017	SED: Corporate Services	CORP026
					1	Attendance Registers/Minutes	IT2.1.2	Number of departmental teambuilding sessions held	1	1	1	SED: Corporate Services	CORP008
					883	Attendance Registers/Communication sent to departments	IT2.1.3	Number of training interventions arranged for workplace skills development	720	460	460	SED: Corporate Services	CORP025
					0	Council minutes	IT2.1.4	Number of policies reviewed and developed.	2	2	1	SED: Corporate Services	CORP009
OUTPUT6:	IT3	To ensure the planning, monitoring and evaluation of ICT in the municipality	IT3.1	To provide efficient and effective IT Support services and systems.	4	Minutes/Attendance Register	IT3.1.1	Number of ICT Steering Committee meetings.	4	4	4	Municipal Manager	MM036
					0	ICT Strategy Implementation Report	IT3.1.2	Percentage of the ICT Strategic Plan Implemented.	33.30%	33.3%	33.3%	Municipal Manager	MM037
					96%	System Uptime Report	IT3.1.3	% of uptime maintained.	96%	96%	96%	Municipal Manager	MM038

		To ensure effective and efficient			1	Disaster recovery test report	IT3.1.4	Number of Disaster Recovery Tests conducted	2	2	N/A	Municipal Manager	MM039
Administration and Financial Capability		Administrative support services.			4	Active Directory Audit Report	IT3.1.5	Number of ICT Security Audits.	4	4	4	Municipal Manager	MM040
					4	Document Version Control / Minutes approving revised Policies	IT3.1.6	Number of ICT policies reviewed	95%	4	1	Municipal Manager	MM042

NEWCASTLE MUNICIPALITY													
ORGANISATIONAL SCORECARD 2016/17													
KEY PERFORMANCE AREA : GOOD GOVERNANCE & PUBLIC PARTICIPATION													
BACK TO BASICS PROGRAMME - PUBLIC PARTICIPATION : PUTTING PEOPLE FIRST													
IDP													
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	Baseline	Source of Evidence	KPI No.:	KEY PERFORMANCE INDICATOR	Target (2014/15).	2015/16	2016/17	Responsible Department /Vote	SDBIP REF NO:
Oustput 6	GP4	To ensure good governance through openness, Transparency and accountability in the organization.	GP4.1	STo strengthen executive support to services.	100%	Register on the number of grievances received and addressed.	GP4.1.1	% of operational issues addressed as referred by Municipal Manager (grievances).	100%	100%	100%	Municipal Manager	MM002
					100%	Detailed incoming register inclusive of date filed.	GP4.1.2	Compliance with record keeping checklist.	100%	100%	100%	Municipal Manager	MM021
					12	Minutes with attendance registers	GP4.1.3	Number of Manco meetings convened	12	12	12	Municipal Manager	MM020
					Approved Delegations on 30 June 2014	Council Minutes	GP4.1.4	Annual review of Delegations Systems by 30 June 2016	Annual review of Delegations Systems by January 2015.	Annual review of Delegations Systems by 30 June 2016	Annual review of Delegations Systems by June 2017	Municipal Manager	MM019
					0	Attendance Registers and Minutes/Presentations	GP4.1.5	Number of Batho Pele workshops facilitated.	2	2	1	Municipal Manager	MM010

					Adopted IDP 31 May 2015	Council Minutes	GP4.1.6	Reviewed and Adopted IDP by 31 May 2016	31-May-15	Adoption of IDP by 31 May 2016 for implementation on the next financial year	31-May-17	Municipal Manager	MM028
Output 1	GP5	To keep the communities and stakeholders informed and involved in the affairs of the Municipality.	GP5.1	To improve both internal and external Communication		Council Minutes	GP5.1.1	Annual review of Public Participation Policy by 30 June 2016	Annual review and implementation of policy.	Annual review of Public Participation Policy by 30 June 2016	Annual review and implementation of policy.	Municipal Manager	MM031
					1	Attendance registers and Close-out report	GP5.1.2	Number of training interventions for Ward Committees members by March 2016	1	1	1	Municipal Manager	MM033
					1	Attendance registers and Public submissions	GP5.1.3	Annual Mayoral IDP/Budget/PMS Roadshows.	1	1	1	Municipal Manager	MM034
					1	Publication	GP5.1.4	Number of External Newsletters Published and distributed	4	4	4	Municipal Manager	MM007
					100%	Register of queries/complaints received and responses to queries.	GP5.1.5	% of issues addressed as raised by the public	100%	100%	100%	Municipal Manager	MM005

NEWCASTLE MUNICIPALITY													
ORGANISATIONAL SCORECARD 2016/17													
KEY PERFORMANCE AREA: FINANCIAL VIABILITY AND SUSTAINABILITY													
BACK TO BASICS PROGRAMME - SOUND FINANCIAL MANAGEMENT													
IDP													
OUTCOME 9	Objective No	Strategic Objective	Strategy No	Strategy	Baseline	Source of Evidence	KPI No.:	KEY PERFORMANCE INDICATOR	2014/15 ANNUAL TARGET	2015/16	2016/17	Responsible Department/Vote	SDBIP REF NO
Output 6: Administrative and Financial Capability	FV10	To ensure sound financial and fiscal management and good governance.	FV10.1	To ensure compliance with financial reporting in terms of the relevant legislative requirements.	100%	National Treasury Compliance Report	FV10.1.1	Compliance with MFMA reporting obligations as per MFMA calendar	100%	100%	100%	SED : Budget & Treasury Office	BTO007
			FV10.2	To ensure an effective and efficient Supply Chain Management System	Turnaround time for bids is 119 days and for quotations is 69 days (Tender/Quotations)	register certified by CFO	FV10.2.1	Turnaround times for bids at 90 days and for quotations 30 days (Tenders/Quotations).	Turnaround times for bids at 90 days and for quotations 30 days (Tenders/Quotations).	Turnaround times for bids at 90 days and for quotations 30 days (Tenders/Quotations)	SED: Budget & Treasury Office	BTO030	
					Approved SCM Policy by March 2015	Register certified by CFO	FV10.2.2	Review of Draft SCM Policy by 31 March 2015 and be approved on the 31st May 2015	Review of Draft SCM Policy by 31st March 2015 and be approved on the 31st May 2016	Review of Draft SCM Policy by 31 March 2015 and be approved on the 31st May 2017	SED: Budget & Treasury Office	BTO028	
			FV10.3	To ensure a sound Asset Management System	Approved Asset Management Policy by 31 May 2015	Asset Management Plan & Policy	FV10.3.1	Review & approval of Asset Management Policy by 31 May 2015	Review & approval of Asset Management Policy by 31 May 2015	Review & Approval of Asset Management Policy by 31 May 2016	Maintenance of management plan and review of policy	SED: Budget & Treasury Office	BTO033

NEWCASTLE MUNICIPALITY													
ORGANISATIONAL SCORECARD 2015/16													
KEY PERFORMANCE AREA- MUNICIPAL PLANNING													
BACK TO BASICS PROGRAMME - DELIVERING BASIC SERVICES / PUBLIC PARTICIPATION : PUTTING PEOPLE FIRST													
IDP													
OUTCOME 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	Baseline	Source of Evidence	KPI No.:	KEY PERFORMANCE AREA	2014/15 ANNUAL TARGET	2015/16	2016/17	Responsible Department/ Vote	SDBIP REF NO
Output 4	MP12	To ensure the development and maintenance of a credible IDP	MP12.1	To develop the IDP Process Plan in line with the legislation.	2	Minutes, and Attendance registers	MP12.1.1	Number of IDP RF meetings held.	2	2	2	Municipal Manager	MM056
					2	Records/Minutes	MP12.1.2	Number of sector plans coordinated and/or reviewed.	4	2	2	Municipal Manager	MM054
			MP12.2	To develop the IDP in line the 3 rd Generation IDP Guidelines.	Reviewed IDP by 22 May 2014	Minutes	MP12.2.1	Reviewed IDP by 31 May 2014.	Reviewed IDP by 31 May 2015.	Reviewed IDP by 31 May 2016.	Reviewed IDP by 31 May 2017	Municipal Manager	MM053
Output 4	MP13	To develop an efficient and effective land use management system so as to promote a rational and harmonious land use activity system.	MP13.1	To undertake efficient and effective planning enforcement.	80%	Register / Notices issued	MP13.1.1	%age of reported / identified cases of land use contraventions responded to	80%	90%	90%	SED: DP&HS	TP2
			MP13.2	Preparation of the Land Use Scheme covering the entire municipal area in terms of SPLUMA	Approved Wall to Wall Planning Scheme (Phase 1)	Council Minutes	MP13.2.1	Preparation of the Land Use Scheme covering the entire municipal area in terms of SPLUMA	Submission of second draft on phase 2 Wall-to-Wall Scheme	Finalise Land Use Scheme covering the entire municipal area in terms of SPLUMA	Annual Review of the Town Planning Scheme	SED: DP&HS	TP1
			MP13.3	Administration of the Town Planning Scheme.	Applications Registers	Q1 - Q4 PDA Application register, Minutes of Portfolio Standing Committee /EXCO Minutes	MP13.3.1	%age compliance to prescribed timeframes and requirements for inputs from all relevant parties.	100% Compliance	100% Compliance	100% compliance to prescribed timeframes and requirements for inputs from all relevant parties.	SED: DP&HS	TP3
			MP13.4	Develop policies and bylaws for planning.	0	Council Minutes	MP13.4.1	Number of policies and bylaws formed and reviewed.	N/A	1	1	SED: DP&HS	DPHS11

			MP13.5	To undertake efficient and effective building controls.	10 days for residential, and 18 days for commercial and industrial buildings	Progress Reports	MP13.5.1	Average turnaround time for the approval of building Plans	10 days for residential, and 18 days for commercial and industrial buildings	10 days for residential, and 18 days for commercial and industrial buildings	10 days for residential, and 18 days for commercial and industrial buildings	SED: DP&HS	TP8
					100%	Register	MP13.5.2	% of illegal buildings addressed as identified and reported	100%	100%	100%	SED: DP&HS	TP9
Output 4	MP14	To ensure an effective and integrated Geographic Information Management System.	MP14.1	Upgrading of the GIS System.	N/A	N/A	MP14.1.1	Purchased hardware.	N/A	N/A	100%	SED: DP&HS	N/A
					N/A	N/A	MP14.1.2	Purchased CAD software.	N/A	N/A	N/A	SED: DP&HS	N/A
			MP14.1	GIS Data Management.	32310 land uses verified	GIS Register	MP14.1.1	%age of Updated data received from municipal and sector departments	Capturing of 32310 properties for land use and zoning information	100% updated data i.r.t data received in the specific quarter	TBA	SED: DP&HS	TP4
			MP14.3	GIS System integration with other municipal systems.	Upgrading of GIS Website		MP14.3.1	Mapping of Infrastructure projects on GIS	N/A	N/A	TBA	SED: DP&HS	N/A
			MP14.4	Maintenance of the current GIS System.			MP14.4.1	Number of staff trained	N/A	N/A	2	SED : DPHS	
Output 4	MP15	To create human settlements that are economically viable, aesthetically pleasant, habitable and vibrant.	MP15.1	Uplifting of communities socially, economically and environmentally, including infrastructure development.	SDF Designated JBC Node, approved commercial centers, informal housing and community facilities	Quarter 1 & 2: Progress reports submitted to PSCM Quarter 3: Advert for Notice of consultation/registers Quarter4: Minutes approving the JBC Urban Hub Precinct Plan	MP15.1.1	Approved JBC Urban Hub Precinct Plan by 30 June 2016	Implement ation of projects approved to create the necessary preconditions in MBO areas for mobilizing public and private investment	Approved JBC Urban Hub Precinct Plan by 30 June 2016	Review Township Regeneration Strategy	SED : DPHS	URP1

			MP15.2	To promote focused Urban Renewal in the Madadeni, Blaauwbosch (including Cavan and Johnstown) and Osizweni areas including the Greater Newcastle Area	Underdeveloped township conditions	Progress Reports/minutes of meetings	MP15.2.1	Finalization and submission of Business Plans for funding	Finalization and submission of Business Plans for funding	Preparation of Project Concept Plans for approved Business Plans	Finalization and submission of Business Plans for funding	SED : DPHS	URP2
			MP15.3	To provide enablers for local communities towards an improved quality of their lives.	MBO Forum established	Minutes of meetings and registers	MP15.3.1	Number of MBO Forum Meetings held	Establishment of Forum	4	Functional MBO Forum	SED : DPHS	URP3
Output 4	MP16	To promote spatial restructuring and integration	MP16.1	To produce plans, policies and strategies to guide and manage development	Newcastle SDF	Approve SDF as part of the IDP - Council Resolution	MP16.1.1	Approved Spatial Development Framework inclusive of Local Area Development Plans.	Approved Spatial Development Framework by 30 June 2015	Approved Spatial Development Framework by 30 June 2016	Annual Review and approval of the Spatial Development Framework.	SED: DP&HS	TP6
					1	PSCM Minutes or Council Minutes	MP16.1.2	Preparation of at least one Local Area Plan	Approved Soul City Local area Development Plan by 30 June 2015	Approval of one Local Area Plan by 30 June 2016	Bi-annual report.	SED: DP&HS	TP5
					SDF Designated JBC Node, approved commercial centers, informal housing and community facilities	Progress Reports/minutes of meetings	MP16.1.2	Approved JBC Urban Hub Precinct Plan by 30 June 2016	Implementation of projects approved to create the necessary preconditions in MBO areas for mobilizing public and private investment	Approved JBC Urban Hub Precinct Plan by 30 June 2016	Review Township Regeneration Strategy	SED: DP&HS	URP1

Output 4	MP17	To promote sustainable development and environmental awareness	MP17.1	To provide a framework for Environmental Management.	N/A	N/A	MP17.1.1	Approved structure inclusive of the Environmental Management Unit.	N/A	N/A	0	SED: DP&HS	N/A
			MP17.2	To ensure compliance with environmental legislation and regulations.	Desired State of Environment Report	Records	MP17.2.1	Approved Environmental Management Framework (EMF) by 30 June 2015	Approved Environmental Management Framework (EMF) by 30 June 2015	N/A	Bi-annual report.	SED: DP&HS	N/A
			MP17.3	To improve environmental awareness.	100%	Communication plan and Presentations/registers/publications/photos/minutes of meeting	MP17.3.1	% of Communication Plan implemented	100%	100%	100%	SED: DP&HS	DPHS9
Output 4	MP18	To facilitate the provision of housing in line with the national and provincial norms and standards.	MP18.1	To reduce housing backlogs to meet the provincial and national targets.	656	Status Quo Reports/Progress reports	MP18.1.1	Number of houses built.	860 UNITS	700	1500	SED: DP&HS	HL 1 + HL2 + HL5
				To reduce housing backlogs to meet the provincial and national targets.	N/A	Status Quo Reports/Progress reports	MP18.1.2	Number of Service Sites for Human Settlements projects	100	380		SED: DP&HS	HL3 +HL4 + HL9
			MP18.2	Development and implementation of a Housing Sector Plan.	Approved of Reviewed housing sector plan by June 2014	Council Minutes	MP18.2.1	Revised Housing Sector Plan	Annual Review of Housing Sector Plan approved as part of the IDP	Annual Revision of Housing Sector Plan.	N/A	SED: DP&HS	HL19
			MP18.3	Promotion of a variety of housing typologies and	2	Progress report on application / document	MP18.3.1	Number of applications for funding submitted to the Human Settlement	4	2	4	SED: DP&HS	HL20
			MP18.3	Densities in and around nodal points.	Initiated of in-situ upgrade of	Progress report on initiation of in-situ upgrade	MP18.3.2	Number of informal	2/Initiate In-situ Upgrading	Initiate In-situ Upgradi	2/Initiate In-situ Upgradi	SED: DP&HS	HL11

					H39 & Siyahlala	of Stafford Hill & Roy points (Vezokuhle)		settlements upgraded	of H39 and Siyahlala)	ng of Stafford Hill & Roy point (Vezokuhle)	ng of H39 and Siyahlala)		
Output 4	MP19	To promote sustainable human settlements in rural areas (Land Reform areas).	MP19.1	Liaison with the Dept. of Human Settlements and Rural Development.	15	Adverts, Deed of sale, supply chain records/ deed of transfer.	MP19.1.1	Number of Sites released for disposal	N/A	15	N/A	SED: DP&HS	HL16
			MP19.2	To develop and maintain a reliable Housing Waiting List database.	78%	Progress report on housing database, print screen from the system	MP19.2.1	% of housing database updated.	100%	100%	100%	SED: DP&HS	HL14
			MP19.3	Promotion of Security of Tenure.	40	Copies of Title Deeds	MP19.3.1	Number of houses transferred	40	40	40	SED: DP&HS	HL13
Output 4	MP20	Efficient management of the municipal real estate.	MP20.1	To create a Municipal Land Bank.	10	Signed deeds of sale	MP20.1.1	Number of pieces of land acquired for development.	10	5	10	SED: DP&HS	HL17
			MP20.2	To review the Municipal Land Disposal Policy.	Draft Land Disposal Policy	Minutes	MP20.2.1	Reviewed Land Disposal Policy by 31 December 2014	Review of the Land Disposal Policy.	N/A	n/a	SED: DP&HS	n/a
			MP20.3	To conduct a Municipal Land Audit.	Land Asset Register	Quarter 2: Advertisement, Letter Of Appointment Quarter 4: Status Quo Report	MP20.2.1	Land Register and Final Report by 30 June 2016	N/A	Land Register and Final Report by 30 June 2016	Land Audit by 30 June 2017	SED: DP&HS	HL18
Output 4	MP21	Management of municipal housing.	MP21.1	To keep municipal housing stock in good condition.	2	Occupational Certificates	MP21.1.1	Number of flood victims houses built	2	2	2	SED: DP&HS	HL12
Output 4	MP22	Promoting the development of integrated human settlements.	MP22.1	Prepare the Rural Development Strategy.	N/A	Progress Reports and Invoices	MP22.1.1	Finalise the Rural Development Strategy.	Finalise the Rural Development Strategy	N/A	N/A	SED: DP&HS	N/A
Output 4	MP23	Provision of cemetery services in accordance with the relevant legislation.	MP23.1	Manage maintenance and operations of cemeteries.	PDA Process initiated	Q2 and Q4 - Progress Reports and SCM communication where necessary	MP23.1.1	Detailed geotechnical and hydrological investigation	Initiate PDA process for proposed Rivers meet	Finalise geotechnical and hydrological investigation for	tba	SED: DP&HS	TP7

									Cemetery site by 30 June 2015	Cemetery Sites by 30 June 2016			
					100%	Register	MP23.1.2	% of complaints addressed.	100%	100%	100%	SED: COMMUNITY SERVICES	CS31
					100%	Register	MP23.1.3	% of new entries with regards to burials captured electronically.	100%	100%	100%	SED: COMMUNITY SERVICES	CS32

NEWCASTLE MUNICIPALITY													
ORGANISATIONAL SCORECARD 2016/17													
KEY PERFORMANCE AREA : BASIC SERVICE DELIVERY													
BACK TO BASICS PROGRAMME - DELIVERING BASIC SERVICES													
IDP													
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	BASELINE	SOURCE OF EVIDENCE	KPI No.:	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	TARGET (2015/16)	TARGET (2016/17)	Responsible Department/Vote	SDBIP REF NO:
Output 2: Improving access to basic services.	ID24	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality's jurisdictional area.	ID24.1	To ensure that the water and sanitation service is rendered in an efficient and affordable manner.	77795	Annual progress reports signed by the SED/director	ID24.1.1	Number (as well as percentage) of households with access to potable (drinkable) water.	79344 (94%)	82692(98%)	TBA	SED: Technical Services	WSA1
					61525	Annual progress reports signed by the SED/director	ID24.1.2	Number (as well as percentage) of households with access to sanitation.	63415	62405 (74%)	TBA	SED: Technical Services	WSA2
						n/a	ID24.1.3	Appointment of service provider to develop a strategy to take over of UTW functions.	N/A	N/A	N/A	Municipal Manager	N/A
		To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality's jurisdictional area.	ID24.2	To promote water Conservation and environmental awareness.	Annual review of the WSDP 2015.	Quarter 2: minutes of PSC meeting. Quarter 3: Council minutes approving the WSDP	ID24.2.1	Annual review of WSDP by 31 January 2015.	Approved WSDP Review by 31 January 2016	Approved WSDP Review by 31 January 2016.	Approved WSDP Review by 31 January 2017	SED: Technical Services	WSA4
					22	registers/minutes/press releases/articles/pub locations	ID24.2.2	Number of awareness campaigns to promote water conservation and environmental awareness.	10	24	4	SED: Technical Services	WCS1

					45%	Water balance scorecard	ID24.2.3	Reduction of water loss by 2% per annum for NRW	43%	43%	33%	SED: Technical Services	WCDM
					n/a		ID24.2.4	Approved Business Plans for rural areas and urban areas.	n/a	N/A	25% New Water and sanitation infrastructure for peri-urban and rural areas	SED: Technical Services	N/A
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	BASELINE	SOURCE OF EVIDENCE	KPI No.:	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	TARGET (2015/16)	TARGET (2016/17)	Responsible Department/Vote	SDBIP REF NO:
		To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality's jurisdictional area.	ID24.3	To develop the Capital Investment Program.	n/a	Expenditure Reports	ID24.3.1	% Spent of capital budget as per approved cash flows (DWA Funding)	90%	90%	90%	SED: Technical Services	WPMU
					Asset register 2013/14	Signed plan by SED	ID24.3.2	% completion of asset replacement plan	Draft asset replacement plan(pipes, pump stations)	Draft asset replacement plan(pipes, pump stations)	100% Refurbishment and Upgrading of infrastructure	SED: Technical Services	WSA5
Output 2: Improving access to basic services.	ID25	To ensure the provision and maintenance of safe Roads and effective storm water infrastructure.	ID25.1	Maintenance of Council Buildings in an acceptable condition	90%	Report and Complaints Register	ID25.1.1	% of municipal building maintenance plan implemented	90%	90%	100%	SED: Technical Services	RS2
			ID25.2	To provide streets beautification and pavements.	2000m2	Progress reports signed by the SED/ Director	ID25.2.1	M ² of sidewalks paved.	2000m2	3340m ²	2000	SED: Technical Services	PMU5
			ID25.3	To develop and implement the Roads and Storm water Infrastructure Plan.	2000	Progress reports signed by the SED/ Director	ID25.3.1	M ² of sidewalks paved.	2000	3340 m ²	2000	SED: Technical Services	PMU5
				To develop and implement the Roads and Storm water Infrastructure Plan.	7KM	Bi-annual Reports signed by the Director	ID25.3.2	Km of roads resealed.	7KM	9 km	9km	SED: Technical Services	RS1
			ID26.1	To provide electricity within the Newcastle Municipality Licensed Areas.	65263	Invoices and DOE Monthly reporting	ID26.1.2	Number of households with access to electricity connection in the Eskom Licensed Area.	66263	66963	TBC	SED: Electrical and Mechanical Services	EL6

			ID26.2	To facilitate the supply of electricity outside the areas licensed with	Updated network analysis	Records/ Minutes of approved ESDP	ID26.2.1	Approved ESDP by 30 June 2016	Completed network analysis plan for the Newcastle Electrical network by 30 Jan 2015.	Approved ESDP by 30 June 2016	Revised ESDP	SED: Electrical and Mechanical Services	EL8
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	BASELINE	SOURCE OF EVIDENCE	KPI No.:	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	TARGET (2015/16)	TARGET (2016/17)	Responsible Department/Vote	SDBIP REF NO:
Output 2: Improving access to basic services.	ID26	To ensure access to electricity and other Forms of energy where applicable.		Eskom.	80485 (95, 5%)	Progress reports signed by the SED and Invoices	ID26.2.2	Number as well as percentage of households with access to electricity-new connections.	80485 (95.5%)	81185 (96.6%)	TBC	SED: Electrical and Mechanical Services	EL11
			ID26.3	To improve the electricity network in the Newcastle Municipality Licensed Areas.	100%	Report against maintenance plan	ID26.3.1	% of Maintenance Plan implemented.	100%	100%	100%	SED: Electrical and Mechanical Services	EL4
			ID26.4	To engage Eskom regarding the transfer of License in Eskom Licensed Areas.	4423	Progress reports signed by the SED and Invoices	ID26.4.1	. Backlog of electricity connections to consumer units (ESKOM AREA)	4423 (364)	3723 (700hh)	TBC	SED: Electrical and Mechanical Services	EL12
Output 2: Improving access to basic services.	ID27	To provide and ensure a safe and healthy environment.	ID27.1	To keep the Newcastle Municipal area clean.	100%	Communication plan and Presentations/register rs/publications/photos/ minutes of meeting	ID27.1.1	% of Communication Plan implemented	100%	100%	100%	SED: Community Services	CS9
			ID27.2	Implementation of the Waste Management Strategy in line with the relevant legislation.	0	Sector Plans	ID27.2.1	Master Plan for Community Services finalized by 31 March 2014.	N/A	N/A	Annual Review of Master Plan	SED: Community Services	N/A
					0	Records	ID27.2.2	% of backlogs addressed	Reduce backlogs by 10%	3%	3%	SED: Community Services	CS10
					61212 (72%)	Stats SA Census Information	ID27.2.3	Number as well as % of households serviced (Refuse)	70181(82%)	72680 (85%)	75705(88 %)	SED: Community Services	CS10
							ID27.2.4	Number of registered landfill/waste disposal sites.	1	N/A	2	SED: Community Services	N/A
							ID27.2.5	New site identified within a 25km radius of Newcastle.	1	N/A	Construction	SED: Community Services	N/A
							ID27.2.6	Number of Draft Bylaws to be	N/A	N/A	n/a	SED: Community Services	N/A

								completed by each section.					
					100%	High Level Summary of Complaints register	ID27.2.7	% of complaints addressed within 24hrs.	100%	100%	100%	SED: Community Services	CS12
Outcome 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	BASELINE	SOURCE OF EVIDENCE	KPI No.:	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	TARGET (2015/16)	TARGET (2016/17)	Responsible Department/Vote	SDBIP REF NO:
							ID27.2.8	Progress made with the closure of the existing site.	N/A	N/A	Site Closure	SED: Community Services	N/A

NEWCASTLE MUNICIPALITY													
ORGANISATIONAL SCORECARD 2015/16													
KEY PERFORMANCE AREA : SOCIAL DEVELOPMENT													
BACK TO BASICS PROGRAMME - PUBLIC PARTICIPATION : PUTTING PEOPLE FIRST													
IDP													
OUTCOME 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	Baseline	Source of Evidence	KPI No.:	KEY PERFORMANCE INDICATOR	Target (2014/15).	2015/16	2016/17	Responsible Department/Vote	SDBIP REF NO.
Output 3: Implementation of the Community Work Programme	SD28	To respond to the needs of the vulnerable groups.	SD28.1	Aged and disabled programs.	12	Register/Minutes	SD28.1.1	Number of Special programs events facilitated/implemented	12	12	18	Municipal Manager	MM063
			SD28.2	Participate in the Provincial initiatives and programs.	11	Minutes/Register	SD28.2.1	Number of programs invited to participate in.	2	2	10	Municipal Manager	MM066
					37	Register/Minutes Report	SD28.2.2	Number of engagements with external stakeholders	24	24	24	Municipal Manager	MM0067
			SD28.3	Participate in District games.	12	Minutes, attendance registers and OSS programme	SD28.3.1	Monthly Operation Sukuma Sakhe programmes facilitated/implemented	12	12	12	Municipal Manager	MM068
Output 3: Implementation of the Community Work Programme	SD29	Youth development and women empowerment.	SD29.1	Implementation of Youth Development Projects.	15	Register/ Minutes /Report	SD29.1.1	Number of workshops facilitated	2	2	5	Municipal Manager	MM066
			SD29.2	Gender programs.	6	Register/Minutes /Report /agenda	SD29.2.1	Number of functional Special Programmes FORA	8	8	8	Municipal Manager	MM064
			SD29.3	Participate in the KWANALOGA games.	Annual Kwanaloga games	Records	SD29.3.1	Number of programs invited to participate in.	Participate annually in Kwanaloga games	Participate annually in Kwanaloga games	Participate annually in Kwanaloga	SED : Community Services	CS37

											ga games		
Output 3: Implementation of the Community Work Programme	SD30	To manage the effect of HIV/Aids within the Newcastle jurisdictional area.	SD30.1	Development and implementation of a Workplace HIV/Aids management program.	6	Register/Minutes/Report/agenda	SD30.1.1	Number of fora established/functional	8	8	8	Municipal Manager	MM064
			SD30.2	HIV/Aids awareness campaigns.	11	Register	SD30.2.1	Number of HIV/AIDS program /events implemented	11	11	15	Municipal Manager	MM062
Output 3: Implementation of the Community Work Programme	SD31	To improve access to basic services.	SD31.1	Free basic services.	12	Monthly summary of movements	SD31.1.1	Monthly registrations and deregistration	12	12	12	SED: Budget & Treasury Office	BTO039
			SD31.2	Rates rebates and breaks.	100%	Printout of rates tariff on account	SD31.2.1	Compliance with the update of Financial System with pensioners rates tariff	Pensioners account updated with new tariff in compliance with approved application form	Pensioners account updated with new tariff in compliance with approved application form	Pensioners account updated with new tariff in compliance with approved application form	SED: Budget & Treasury Office	BTO41
			SD31.3	Social security grants.	16.63% (18809)	Monthly income summary together with monthly summary of movement	SD31.3.1	% of households earning less than R1100.00 per month with access to free basic services (R3000 as per the Indigent Policy for Newcastle).	19%(20500)	17.17% (19829)	19%	SED: Budget & Treasury Office	BTO40
Output 3: Implementation of the Community Work Programme	SD32	To improve safety and security	SD32.1	Licensing.			SD32.1.1		N/A	N/A	N/A	SED : Community Services	N/A
			SD32.2	Traffic management.	Recommendations to MM	Appointment letter & Progress report to PSCM/ Council Minutes / Completion Certificate	SD32.2.1	Appointment and installation of parking meters	Appoint and install parking meters by December 2014	Appoint service provider and install parking meters by 30 June 2016	N/A	SED : Community Services	CS16
					24	Roadblocks Stats	SD32.2.2	Number of roadblocks conducted	24	24	24	SED : Community Services	CS15

			SD32.3	Participation on road safety awareness campaigns	100%	Communication plan and Presentations/registers/publications/photos/ minutes of meeting	SD32.3.1	% of Communication Plan implemented	100%	100%	100%	SED : Community Services	CS9
			SD32.4	Establishment of the Disaster Management Forum	4	Report & Minutes of Portfolio Committee	SD32.4.1	Quarterly report on Disaster Management Forum to Portfolio Committee	4	4	4	SED : Community Services	CS20
					0	Sector Plans, Council minutes	SD32.4.2	Number of Sector Plans for all sections in Community Services finalised by June 2014.	2	N/A	2	SED : Community Services	N/A
			SD32.5	To improve the fire-fighting services.	200	Fire inspection records	SD32.5.1	Number of Fire inspections conducted	200	200	200	SED : Community Services	CS17
					1min	Occurrence Book	SD32.5.2	Average dispatch time	1m	1m	1m	SED : Community Services	CS18
					24hrs	Incident reports	SD32.5.3	Average time taken to respond to victims	24hrs	24hrs	24hrs	SED : Community Services	CS19
Output 3: Implementation of the Community Work Programme	SD33	To ensure efficient use and management of community facilities.	SD33.1	Environmental health services.	100%	High Level Summary of Complaints register	SD33.1.1	% of complaints addressed within 24 hours	100%	100%	100%	SED : Community Services	CS12
			SD33.2	Sports, parks and recreation.	0	Completion Certificate	SD33.2.1	Number of new play parks established	2	4	2	SED : Community Services	CS33
					100%	Register	SD33.2.2	% of cutting cycle plan implemented quarterly.	100%	100%	100%	SED : Community Services	CS34
			SD33.3	Improvement of community access to facilities (halls, pools, libraries and amenities).	8	Exhibitions/events/invitations/programmes/visitors book/newspaper article	SD33.3.1	Number of exhibitions or events facilitated.	8	8	8	SED : Community Services	CS25

NEWCASTLE MUNICIPALITY													
ORGANISATIONAL SCORECARD 2016/17													
KEY PERFORMANCE AREA : LOCAL ECONOMIC DEVELOPMENT													
BACK TO BASICS PROGRAMME - PUBLIC PARTICIPATION : PUTTING PEOPLE FIRST													
IDP													
OUTCOME 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	Baseline	Source	KPI No.:	KEY PERFORMANCE AREA	2014/15 ANNUAL TARGET	2015/16	2016/17	Responsible Department/ Vote	SDBIP REF NO.

Output 1: Implementation of a differentiate approach to municipal	ED34	To facilitate economic development that will result in sustainable job creation.	ED34.1	To facilitate investment promotion by local and foreign businesses.	4	PSCM Minutes	ED34.1.1	Quarterly reports on meetings held with foreign and local investors.	4	4 Quarterly reports to Portfolio Committee	4	SED: DP&HS	ED12
			ED34.2	Business Retention and Expansion (BNR).	2	PSCM Minutes	ED34.2.1	Quarterly reports on meetings with chambers and Newcastle businesses	4	4 Quarterly reports to Portfolio Committee	4	SED: DP&HS	ED1
Output 1: Implementation of a differentiate approach to municipal planning and support	ED35	To facilitate economic development that will result in sustainable job creation.	ED35.1	Provision of internal guidance for investment and infrastructure expenditure.	3	Minutes and register	ED35.1.1	Number of meetings held (ICC)	4	4	4	SED: DP&HS	DPHS9
					4	PSCM Minutes	ED35.1.2	Bi-annual reports on meetings held with sector government departments, NGO and potential funders.	2	4 Quarterly reports to Portfolio Committee	2	SED: DP&HS	ED2
					1	Copies of complete Economic Studies	ED35.1.3	Number of economic studies completed and submitted to Portfolio Committee.	2	2	2	SED: DP&HS	ED9
Output 1: Implementation of a differentiate approach to municipal planning and support	SD36	To facilitate economic development that will result in sustainable job creation.	ED36.1	To facilitate the development of key infrastructure to help facilitate the growth of the economy.	0	Report on infrastructural needs that drive and unlock the local economy in Newcastle	ED36.1.1	Study/survey to identify key infrastructural needs that drive and unlock the local economy.	N/A	Study to identify key infrastructural needs that drive and unlock the local economy Newcastle		SED: DP&HS	ED3
Output 1: Implementation of a differentiate approach to municipal planning and support	SD37	To facilitate economic development that will result in sustainable job creation.	ED37.1	Regulation of the Informal Economy.	Status quo report on Informal traders	Resolutions/Reports	ED37.1.1	Develop policy for informal trading and review of the bylaws.	Approval of Informal Trading Policy and Bylaws	N/A		SED: DP&HS	N/A
Output 1: Implementation of a differentiate approach to municipal	SD38	To facilitate economic development that will result in sustainable job creation.	ED38.1	Promotion of SMME and entrepreneurial development.	0	Reports to Portfolio Committee	ED37.1.1	Number of reports on events supported	4	2	4	SED: DP&HS	ED11
					15	Structures built and completion certificates	ED38.1.2	Number of Hawker Stands built.	20	N/A		SED: DP&HS	N/A
							ED38.1.3	Development of a business plan for	N/A	N/A		SED: DP&HS	N/A

planning and support								Business Incubator.					
					40	SMME Register	ED38.1.4	Number of SMMEs assisted.	50	50		SED: DP&HS	ED4
			ED38.2	Key sector development.	2	Business Plans Developed	ED38.2.1	Number of Business Plans Developed	2	N/A		SED: DP&HS	N/A
Output 1: Implementation of a differentiated approach to municipal planning and support	SD39	To facilitate economic development that will result in sustainable job creation.	ED39.1	To facilitate a conducive environment for tourism business to grow.	Approved Tourism Development and Marketing Strategy and provision for implementation plan on 2015/16 budget.		ED39.1.1	Approved Tourism Development and Marketing Strategy and provision for implementation plan on 2015/16 budget.	N/A	N/A		SED: DP&HS	N/A
					No scheduled flights	Q2 - Inspection reports from CAA : Q4 - Scheduled of flights	ED39.1.2	Introduction of scheduled flights in Newcastle by 30 June 2016	Implementation of Scheduled Flight	Introduction of scheduled flights in Newcastle by 30 June 2016		SED: DP&HS	ED6
					4	Bi-annual progress reports to PSC / minutes on the trade shows	ED39.1.3	Report on number of tourism trade show attended and the outcome/impact to the Municipality.	4	4	4	SED: DP&HS	ED8
					2	Minutes of CTO	ED39.1.4	Number of meetings with CTO	4	4	4	SED: DP&HS	ED7
							ED39.2.1	Approved Tourism Development and Marketing Strategy and provision for Implementation Plan	n/a	N/A	PROVISION ON BUDGET FOR IMPLEMENTATION PLAN	SED: DP&HS	N/A
			ED39.2	Marketing and branding of Newcastle.				On 2014/15 budget.					

					Approved Tourism Development and Marketing Strategy and provision for implementation plan on 2015/16 budget.	Draft corporate image for Newcastle	ED39.2.1	Develop the Newcastle Brand by 30 June 2016	Develop the Newcastle Brand.	Development of Newcastle Brand by 30 June 2016	Implement branding program	SED: DP&HS	ED5
Output 1: Implementation of a differentiated approach to municipal planning and support	S40	To facilitate economic development that will result in sustainable job creation.	ED40.1	To provide economic data.	630	Reports on job creation	ED40.1.1	Number of work opportunities created through LED development initiatives including Capital Projects.		1709		SED: DP&HS	ED14+TECH9+EM009
					Updated directory and web based directory in 2014/15	2015/16 Final Updated Directory	ED40.1.2	Publishing of the 2015/16 business directory on the website	N/A	Publishing of the 2015/16 business directory on the website	n/a	SED: DP&HS	ED13

7.2. IDP, BUDGET, PMS INTEGRATION THROUGH SDBIP.

At a strategic level, the IDP Priorities are aligned to the National Key Performance Areas. In terms of the IDP, Organizational objectives are incorporated into the Organisational PMS by developing applicable indicators for measuring of performance and then setting of targets (within the available resources as specified in the Budget). All of this is consolidated into an Organisational Score-card in line with the NKPA Model selected as specified in the Framework mentioned above to allow for measuring and reporting of performance at an Organisational/Strategic level.

The Organisational Score-card is then unpacked at a departmental/Vote level and informs the development of Service Delivery Budget Implementation Plans (SDBIP's) to allow for performance reporting at an operational level as is required in terms of the MFMA. Ideally, the SDBIP aligns itself with Powers and Functions, Objectives of the Department aligned to IDP and the allocated budget, relevant indicators and targets. The Service Delivery Budget Implementation plan is then cascaded into Section 57 Performance Agreements.

All of these performance reports are then consolidated into the Annual Performance Report that forms a component of the Annual Report as prescribed in the MFMA. Reporting is done quarterly, with supporting evidence being validated and audited. Monthly reporting is now being advocated through the revision of the framework and the Auditor-General's audit strategy to align the municipality to best practices.

7.3. MONITORING, EVALUATION AND REVIEW.

In terms of the PMS Framework, at the end of every quarter Directorates are expected to submit to the Office of the IDP Manager their completed Organizational Scorecard and SDBIP's for further submission to Internal Audit. Internal Audit thereafter submits to the External Audit Committee, which in turn reviews the PMS and submits recommendations thereon to the EXCO. In the absence of a functional Internal Audit unit, reports were submitted directly to the Municipal Manager, Audit committee and EXCO. An audit review was conducted for the Mid-year assessment only.

The above process is intended to allow the municipality to monitor, evaluate and review its performance based on the National and its own IDP key Performance Indicators. The following table, derived from both the legislative framework for performance management

and PMS framework, summarizes for ease of reference and understanding the various performance reporting deadlines as it applies to the Municipality:

Table 53: PMS Reporting requirements

REPORT	FREQUENCY	SUBMITTED FOR CONSIDERATION AND/ OR REVIEW	REMARKS
1. SDBIPs	Quarterly	Executive Committee	See MFMA Circular 13 of National Treasury for further information
2. Monthly budget statements	Monthly	Mayor (in consultation with Exco)	See sections 71 and 54 of the MFMA
3. Organizational Scorecard	Quarterly	Executive Committee	PMS framework
4. SDBIP mid-year budget and performance assessment	Annually during January of each year	Mayor (in consultation with Exco)	See sections 72 and 54 of the MFMA
5. Performance report	Annually	Council	See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report
6. Annual report	Annually	Council	See chapter 12 of the MFMA

7.4. INSTITUTIONAL PERFORMANCE MANAGEMENT SYSTEM (SECTION 57 CONTRACTS).

In terms of the Regulations for Municipal Managers and Managers reporting directly to the Municipal Manager, all Performance Agreements were signed for the 2011/12 financial year. In respect of the 2012/13 financial year, this will be informed by the approved SDBIP's by beginning of June 2012. In support of the PMS, a list of annexure regarding the SDBIP and Organizational Scorecard are attached in this document.

8. SECTOR PLANS

Ref.	Activity/ Item Description	MEC Evaluation Report Findings	Levels of Execution		*LM Responsibility over Period				Comments
			*LM	*DM	2010/11	2011/12	2012/13	2013/14	
1.	Disaster Management Plan/ Contingency Plan	None	✓	✓	✓	✓	✓	Completed	District Municipality is implementing through shared Services but Newcastle has its own Disaster Contingency Plan in place.
2.	HIV/AIDS Action Plan	None	✓	✓	✓	✓			Complete: - Special Programs are being implemented though SukumaSakhe Provincial Program
3.	Institutional Plan	None	✓		✓	✓	✓	Completed	Completed AND approved by Council
4.	Performance Management System (PMS)	None	✓		✓	✓	✓	Completed	PMS review completed and approved by Council. It's being implemented with Section 57, but rollout is underway
5.	Skills Development Plan	None	✓		✓	✓	✓	Completed	Approved by EXCO and is under implementation.
6.	Financial Management Plan	Identified as the Shortcoming	✓		✓	✓	✓	Completed	Fully-fledged Financial Plan in-place and approved by Council together with the Budget.
7.	Capital Investment Programme/ Framework (CIP)	Identified as Shortcoming	✓		✓	✓	✓	Completed	Three Year Capital Program incorporated into the IDP but the Municipality on the process of developing a five year capital investment program once all sector plans are in place
8.	Integrated Environmental Programme	Identified as Shortcoming	✓		✓	✓	✓	Underway	Draft document completed and is being work-shopped to Council and public participation process.
9.	Local Economic Development (LED)	None	✓		✓	✓	✓	Completed	Completed in November 2012 and is going through implementation
10.	Poverty Relief / Alleviation Programme	None	✓		✓	✓	✓	Completed	Approved by Council and Underway for implementation
11.	Revenue Enhancement Strategy	None	✓		✓	✓	✓	Completed	Review underway, very critical for the LM
12.	Housing Strategy	None			✓	✓	✓	Completed	Draft Housing Sector Plan complete and going through public participation process
13.	Water Services Development Plan (WSDP)	None	✓	✓	✓	✓	✓	Completed 2014	WSDP going through the review process and to be completed next financial year.
15.	Waste Management Plan	None	✓	✓		✓	✓	Completed 2012	Under review to include identification of new landfill site. It's a lengthy process to identify an environmental suitable site
16.	Roads and Storm water Master Plan	None	✓			✓	✓	Completed	The Road and Stormwater plan is done inline with GRAP.
17.	Transportation Plan	None	✓	✓	✓	✓		Completed	Developed by the District. Newcastle has developed the Urban Transportation Plan to mitigate traffic volumes
18.	Electrification Plan	None	✓	✓		✓	✓	Underway	Available with the DC. But Newcastle to develop its own in 2014/2015 financial year
19.	Tourism and Marketing Plan	None	✓	✓		✓	✓	Completed	Development underway and to be completed next financial year.

Ref.	Activity/ Item Description	MEC Evaluation Report Findings	Levels of Execution		*LM Responsibility over Period				Comments
			*LM	*DM	2010/11	2011/12	2012/13	2013/14	
20.	Land Use Management Plan	None	✓		✓	✓	✓	Complete	Available and being rollout to townships and is being replaced by a wall to wall scheme which is underway (PDA)
21.	Spatial Development Framework	Identified as good	✓		✓	✓	✓	Completed	Review SDF approved by Council together with the IDP 2014/15
22.	Gender Employment Equity Plan	Identified as shortcoming	✓		✓	✓	✓	Completed	Approved by EXCO and implementation underway.
23.	Communication Strategy	Identified as shortcoming	✓		✓	✓	✓	Underway	To be developed next financial year
24.	IT Communications Policy	Identified as shortcoming	✓		✓	✓	✓	Completed 2012	Approved by EXCO and implementation underway
25.	IT Policy and Asset Management Policy	Identified as shortcoming	✓		✓	✓	✓	Completed 2012	Approved by EXCO and implementation underway
26.	Fraud and Corruption Prevention Strategy	Identified as shortcoming	✓			✓	✓	Completed 2013	Approved and implementation underway, very critical for the LM
27.	Cemetery Plan	Identified as shortcoming	✓			✓	✓	Underway	Investigation on identification of suitable sites underway and to be completed in next financial year

SECTION 9: ANNEXURES.